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# ***Daily Report***

## **Latin America**

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# Daily Report

## Latin America

FBIIS-LAT-92/122

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**Mexico**

NOTIMEX reports the government "will establish new rules for regulating the activities of DEA agents in Mexico" which include "revising and controlling the accreditation, entry, and behavior of the DEA in Mexico."

**Panama**

EL PANAMA AMERICA reports that the attorney general has called the U.S. Supreme Court ruling "unacceptable." He said that "all persons allegedly involved in crimes committed in Panama, either as masterminds or perpetrators, accomplices or accessories, will be investigated and tried in Panama." A related communique states that "no foreign authority will be permitted to obtain custody of prosecuted persons either before or after a suspect has been apprehended by Panamanian authorities."

**Nicaragua**

Managua radio reports the Foreign Ministry "has issued a note to the U.S. Embassy requesting the repatriation of Douglas Gadea, a Nicaraguan kidnapped by DEA agents at La Aurora Airport in Guatemala in September 1991" so he may "stand trial in Nicaragua."

**Brazil**

Luis Octavio da Motta Veiga, former president of the Brazilian Petroleum Corporation, in an interview with the magazine VEJA said he thought the "ethical standards" of the government of President Fernando Collor were "lower than expected." Regarding Collor's associate, Paulo Cesar Farias, the former Petrobras president said Farias and Collor "are very close," and Farias was "conducting business that is not his own" in the government. Motta Veiga said that the growth of Farias' wealth over the course of "a few years" was "more than enough" to take legal action against the presidential associate. Motta Veiga said he favored "investigating all charges" concerning the Collor regime and continuing "the due process" if there are reasons to "contemplate impeachment."

**Mercosur Summit Meeting in Las Lenas Previewed**

PY2406012992 Montevideo Radio El Espectador  
Network in Spanish 1600 GMT 23 Jun 92

[Text] During the second Mercosur [Common Market of the South] summit, which will be held on 26 June in Las Lenas, Argentina, the presidents of Argentina, Bolivia, Brazil, Chile, Paraguay, and Uruguay will sign an agreement to legalize the situation of hundreds of thousands of illegal immigrants in the mentioned countries. Argentine Government sources report that the agreement will favor approximately 300,000 Bolivian, Paraguayan, and Chilean citizens, among others, who reside in Argentina without migration documents.

This so-called immigrant treaty [tratado del inmigrante] will be signed by the presidents of Argentina, Carlos Menem; of Brazil, Fernando Collor de Mello; of Paraguay, General Andres Rodriguez; and of Uruguay, Luis Alberto Lacalle. Chilean President Patricio Aylwin and Bolivian President Jaime Paz Zamora will arrive in Las Lenas on 26 June at 1200, a little after the Mercosur summit begins. The summit will end on 27 June.

In Las Lenas, a hotel center located at the foot of the Andes 1,100 km west of Buenos Aires, the presidents will also sign an agreement to accelerate the river waterway program among Argentina, Bolivia, Brazil, Paraguay, and Uruguay. The agreement will establish a three-year term for the gradual elimination of navigation restrictions on the Parana and Paraguay Rivers. It was reported that as a first stage the flag identification on cargo ships from the five countries will be eliminated. IDB [Interamerican Development Bank] President Enrique Iglesias will attend the signing ceremony of this agreement, given that the IDB will grant financing for the dredging works and for marking with buoys the Parana and Paraguay Rivers in order to facilitate navigation.

The Mercosur presidents will establish in Las Lenas the deadlines for the elimination of the economic obstacles that hinder the progress of this regional integration plan, which requires the free circulation of goods, services, and individuals among the four member countries as of 1995.

Among other measures, they will establish deadlines to reach an agreement regarding a common external fare, trade and production norms, public attendance hours of banks, tax policies, measures against unfair competition, and subsidies, among others.

**Antinarcotics Operations Chiefs' Conference Ends**

PY2206224592 Santa Cruz EL MUNDO in Spanish  
13 Jun 92 p 13

[Text] The antinarcotics operations chiefs from five [as published] South American countries, who met in Santa Cruz for three days, have expressed their firm resolve to combat drug trafficking on all fronts and to break up the "cartels" that operate in the area.

Chile's Michel Diban, Argentina's Vicente Luis Brizuela, Brazil's Sergio Sakon, Paraguay's Juan Angel Vivero, Uruguay's Angel Cameto, and Bolivia's General Edwin Peredo headed their countries' respective delegations within the framework of the 2d conference, held at the "Los Tajibos" Hotel in our city.

The antinarcotics operations chiefs considered the fact that it is in South America that the drug trafficking mafias, such as the Medellin Cartel, the Cali Cartel, and other similar organizations that collect drugs in Peru and Bolivia, are actually operating.

The complex drug trafficking problem also involves countries like Brazil and Chile, from where the chemical precursors, the raw materials to process cocaine, usually come.

Nevertheless, as they have to transport the cocaine to the United States and to European and Asian markets, the drug traffickers use Uruguay, Paraguay, Chile, and Brazil as transit countries, where they also have contacts who are usually paid in kind. This activity is therefore a vicious circle involving producing, consuming, and transit countries. The delegates admitted that addiction problems have been reported in the transit countries.

Argentine inspector general Vicente Luis Brizuela, who headed the famous "Operation Drum" that allowed the capture of Bolivians Humberto Gil Suarez and Jose Bismarck Arredondo, said: "It must be noted that we, those of us who are in the 'turf' and are closely watching the actions of the drug barons, have met together."

Upon closing the conference, Brizuela said: "I fully trust in your honesty and ability, and in your decision to jointly wage this struggle, without the inconveniences that usually occur when two or more forces act in a limited territory."

**Bolivian Delegate**

General Edwin Peredo, Bolivia's Special Antinarcotics Force commander, who thanked the five [as published] participant countries for their presence and reaffirmed their resolve to confront this scourge, was in charge of closing the discussions.

Peredo said: "Well-known reasons, which are both numerous and shocking, are motivating us to put an end to the drug cartels and methods involving unlimited resources, which put us at an apparent disadvantage. We do still, nevertheless, have the general force of action of our communities, which gives us the confidence to hope that the participation of our institutions will finally resolve this battle, causing the deafening downfall of those elements involved in processing illegal drugs and trafficking in narcotics precursors."

Peredo added: "We require evidence of the integrity of the authorities, who are preparing the operations at various levels with the goal of bringing about the patent

failure of these criminals, who want to amass fortunes on the spoils of human dignity."

General Peredo also reported that a better distribution of responsibilities has been established. He added: "We hope this will be reflected at the national levels of the attending delegations, so as to protect in our territories the policy of counteracting this evil, as a new integration experience."

General Peredo indicated that for security reasons other agreements, especially on money laundering, information exchange, the goal of requiring more support from the international community for the struggle against drug trafficking, cannot be disclosed.

Regulations establishing yearly meetings were also approved. The next conference will be held in Buenos Aires in 1993.

## Cuba

### Vice President Analyzes Socialism's Collapse

*FL2306203592 Havana Radio Rebelde Network  
in Spanish 1700 GMT 23 Jun 92*

[Text] Cuban Vice President Carlos Rafael Rodriguez gave speech at the Central-South meeting held in Geneva, Switzerland. The highlight of Rodriguez's speech was when he acknowledged and attached great value to the role played by Julius Nyerere, the former chief of state of Tanzania and former president of the now-defunct South Commission. The Cuban vice president said that when the theme of the book, *Challenges for the South*, was set forth, the countries of the South were seeking a world without divisions between rich and poor. The policy of the book was formulated at the very moment the crisis in socialism was occurring, and when one of the contradictory factors, that permitted the underdeveloped countries to take advantage of East-West contradictions to develop their own policy, was beginning to disappear.

Rodriguez added: Those positions were in many cases linked to the premises established by Eastern Europe. Nevertheless, they had their own characteristics and expressed aspirations founded on needs and situations derived from the South.

In his analysis of the collapse of the socialist bloc, the Cuban leader said that the Western North is now virtually alone in managing the great problems affecting mankind. Speaking in particular of the evolution of Latin America, Rodriguez said he felt that, although resistance has been greater, there was an almost unconditional acquiescence by the region's governments to solutions imposed by the North, including the World Bank and the IMF.

He said that what has occurred in countries formerly constituting the socialist bloc is a true collapse that makes almost all of them potential allies of European capitalism, and turns them inevitably into sponges that soak up funds. Carlos Rafael Rodriguez concluded: Far from being our allies in a battle for a new world, as we had expected, the former socialist countries are now turning into competitors for the funds which the Third World has needed for its development.

### Alarcon, Malmierca Attend Diplomatic Ceremony

*FL2306212692 Havana Radio Reloj Network  
in Spanish 1932 GMT 23 Jun 92*

[Text] Today at noon, new Foreign Minister Ricardo Alarcon was introduced to the diplomatic corps accredited in Cuba in a ceremony at the Foreign Ministry [Minrex] building. In this ceremony, former Foreign Minister Isidoro Malmierca, who for many years performed efficient work as Cuba's foreign affairs leader, said farewell to the chiefs of the diplomatic missions.

The diplomats accredited in Cuba also greeted Alcibiades Hidalgo, first vice minister of the Minrex, who has been appointed—with the same rank—to the post of Cuba's ambassador to the United Nations and First Vice Minister Fernando Ramirez de Estenoz.

Carlos Aldana, a member of the Communist Party of Cuba Politburo, members of the Central Committee, and government ministers were also present at the ceremony.

### U.S. 'Pressure' on Mexico Viewed by Havana

*FL2306133092 Havana Radio Progreso Network  
in Spanish 1100 GMT 23 Jun 92*

[Text] Mexican President Carlos Salinas de Gortari has rejected interference by U.S. legislators who are trying to influence the negotiations on the free trade agreement between Mexico, the United States, and Canada by exerting pressure on Mexico because of its ties with Cuba.

The Mexican magazine EPOCA published a month ago the text of a letter sent to Salinas which contained threats to affect the negotiations on the agreement because of the trade relations Mexico has with Cuba.

### Provinces React 'Energetically' to Planting Delays

*FL2206184492 Havana Radio Rebelde Network  
in Spanish 1700 GMT 22 Jun 92*

[Text] Those provinces that are behind in the weeding and planting of sugarcane have reacted energetically. Sancti Spiritus intends to mobilize 25,000 workers toward these tasks. In Guantanamo, areas assigned to groups, organizations, and enterprises have been prioritized. And Ciego de Avila has already fulfilled 78 percent of the plan, thanks to the people's participation.

Santiago de Cuba completed its program on 22 June and Granma and Cienfuegos are very close to meeting their goals.

### Half of Granma Enterprises Declared 'Unreliable'

*FL2306193892 Havana Radio Rebelde Network  
in Spanish 1700 GMT 23 Jun 92*

[Text] More than 50 percent of the enterprises in Granma Province audited in 1991 and 1992 were declared unreliable with regard to accounting and control of their material and human resources. The most deficient entities in this regard belonged to the Ministries of Agriculture and the Sugar Industry.

## Inter-Caribbean Affairs

### Jamaica Offers To 'Sponsor' Aristide at Summit

*FL2306202292 Bridgetown CANA in English  
1944 GMT 23 Jun 92*

[Text] Kingston, Jamaica, June 23, CANA—Jamaica says it is prepared to "sponsor" ousted Haitian President

Jean-Bertrand Aristide's presence at this month-end's Caribbean Community (Caricom) summit in Trinidad if he is "interested" in attending.

Foreign Minister David Coore made the disclosure on radio late Monday [22 June], just prior to the arrival of Aristide for a two-day visit. Coore said the Jamaica Government was keen to hear from Aristide "how he feels about the latest developments" and to "exchange views" ahead of the meeting of Caricom heads of government.

Asked whether Jamaica would be prepared to recommend Aristide's presence at the summit to address the regional heads, Coore said if the Haitian leader was interested and felt it would serve a useful purpose, "we would be prepared to sponsor."

Aristide was scheduled to meet Prime Minister P.J. Patterson, Coore, and parliamentary opposition foreign affairs spokesman Hugh Shearer Tuesday. He was also to meet Haitian refugees being housed at an army camp in western Jamaica, as well as other Haitian nationals here.

Aristide, the first democratically elected leader of Haiti, was overthrown last year in a military backed coup. Concerted diplomatic efforts by regional governments and an Organisation of American States (OAS) sanctioned trade embargo aimed at having Aristide returned to power in Haiti have so far failed.

## Haiti

### Planning Minister Victor Outlines Ministry Role

FL2306162092 Port-au-Prince Radio Soleil Network  
in Creole 1100 GMT 23 Jun 92

[Excerpt] Shortly after the installation ceremony, new Planning Minister Jean Andre Victor stated that the priority of his ministry is to participate in the emergency plan that the prime minister defined in order to relieve the poverty of the people and to allow the government to make a number of decisions throughout the country. Victor, who believes that the six-month time limit is a reasonable time for an emergency plan, also spoke of the role that the Ministry of Planning has to play in the Haitian Government.

[Begin Victor recording] The role of the Ministry of Planning is to support the work of the other ministries in the coordination of the activities so a togetherness, a consistency can be found within the government. So, we are very aware of what is waiting for us and we hope that with the assistance and the support of all our colleagues we will succeed. [passage omitted] [end recording]

### Brutus: Situation 'Remains Extremely Complex'

FL2306170892 Port-au-Prince Radio Metropole  
in French 1100 GMT 23 Jun 92

[Interview with Deputy Duly Brutus by correspondent Rothschild Francois in Port-au-Prince on 22 June—recorded, in Creole]

[Text] Following the cabinet installation, Deputy Duly Brutus, from the Nationalistic and Progressive Revolutionary Party of Haiti, Panpra, gave his opinion on the crisis.

[Begin recording] [Brutus] I think that the situation still remains extremely complex. However, I heard President Aristide's interventions. I feel that there is a slight development on that side. I hope there will be more. He said that he was ready to meet Prime Minister Bazin, not as the prime minister but as a person, a Haitian politician. For me, it is already a step. And I hope that more steps will be made. As for the new government, I believe that an effort was made on that side so that the largest political trend can be represented within this government. From this, we think that the conditions are more or less fulfilled in order to reach a thawing in the Haitian political situation which would allow every Haitian to gather around a table to discuss the country's problem.

[Rothschild] How did you find, for example, the recommendations made by Prime Minister Bazin, a while ago?

[Brutus] In my opinion, those recommendations are extremely interesting and coincide in a sense with the social pact that we voted on within the Chamber of Deputies. It was proposed by the socialist group. It extends to the problem of smuggling, the problem of increasing state revenue. Therefore, we think that they are good initiatives that must be encouraged as parliamentarians.

[Rothschild] Deputy Brutus, you are criticized by several sectors due to the fact that your brother is part of the new cabinet. What is your comment?

[Brutus] I would like to point out that it is not the first time in a country that brothers are politically active. Fidel Castro's brother is a member of Fidel Castro's government. The Ortega brothers were also part of the Nicaraguan government. We can name other cases. What I can point out is that my brother has a long political past. He is in charge of the organization within Panpra and I can say that all the input within Panpra is the result of Andre Brutus' work. He is not a member of the government as Duly Brutus' brother, he is a member of the government as a Panpra member. [end recording]

### MOP on 'Possible' Aristide-Bazin Negotiations

FL2306162392 Port-au-Prince Radio Tropic FM  
in French 1230 GMT 23 Jun 92

[Text] The Movement for the Organization of the Country [MOP] has commented on the possible resumption of the negotiations on the Haitian crisis. In a 22

June press release, the MOP states that it has heard of some diplomatic initiatives aimed at prompting President Jean-Bertrand Aristide to negotiate again the conditions for a return to the presidential legitimacy.

According to the MOP, the true objectives of those initiatives are to dissociate the OAS and the entire international community from the Haiti situation, to render the Washington Agreements [plural as heard] null and void, to have the government called government of consensus and for the protection of the general public recognized, and to finally get rid of the Aristide file.

Therefore, to the proposition [Bazin statement on his readiness to resume negotiations with Aristide] anywhere, at any time, without reservations, and without conditions, the MOP answers: quote, in Haiti, at the National Palace or in Cite Soleil under maximum safety conditions for all and on a date to be decided jointly with the OAS, unquote.

#### **Belizaire Says Senate To Continue Work on Laws**

*FL2306161092 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 23 Jun 92*

[Excerpt] Senator Dejean Belizaire, who attended the cabinet installation ceremony, said that he was satisfied with what happened yesterday [22 June]. According to Sen. Belizaire, we are now going to continue working to prepare the law to create diplomatic institutions. He added that the Senate will continue to work on the laws on territorial communities, the creation of the office for the protection of citizens, the creation of the police force, and minimum wages.

[Begin Belizaire recording] Tomorrow, we will get down to work. We will continue to study the laws and adopt laws which will allow the establishment of democratic institutions. [passage omitted] [end recording]

#### **Trinidad and Tobago**

##### **Government 'Concerned' Over U.S. Court Ruling**

*FL2306173192 Bridgetown CANA in English 1612 GMT 23 Jun 92*

[Text] Port-of-Spain, Trinidad, June 23, CANA—The Trinidad and Tobago Government said it was concerned over the recent ruling of the United States Supreme Court which declared it legal for the U.S. government to kidnap persons from a foreign country in order to prosecute them in the United States. Foreign Affairs Minister Ralph Maraj said democratic nations should behave responsibly, obey the rule of law, and follow established legal procedures for the extradition of wrongdoers.

"The government of Trinidad and Tobago believes strongly that the democratic process and the rule of law which are of fundamental importance in guiding the actions of a government within its national borders should also extend to relations between sovereign states," Maraj said in a statement on Monday [22 June].

"Upholding international commitments and respecting the tenets of international laws are critical in making our world a much better place and in avoiding the anarchy and insecurity which would result from the application of fiat."

He added that just as good judgements reinforce the rule of law, bad judgements can weaken both the rule of law and the fabric of national society and the international community. He said the profound political transformations which had taken place throughout the world over the past few years had resulted in the almost universal acceptance of the democratic process as the preferred form of government.

"This is a development of which all countries practising democratic forms of government should be proud.

"However, democracy cannot exist without the rule of law," he asserted.

**New Rules Reportedly Issued for DEA Activities**

PA2306225992 Mexico City NOTIMEX in Spanish  
2152 GMT 23 Jun 92

[Text] Mexico City, 23 Jun (NOTIMEX)—The Government of Mexico will establish new rules for regulating the activities of DEA agents in Mexico, a high-ranking official of that government announced on 23 June.

"This means revising and controlling the accreditation, entry, and behavior of the DEA in Mexico in the next few days," announced Jorge Carrillo Olea, coordinator for the Office of Crimes Against Health, part of the Office of the Attorney General.

The Government of Mexico decided on the week of 14 June to redefine its cooperation agreements for combating drugs with the United States and negotiate new terms for the extradition treaty signed by both nations in 1978.

The Mexican decision was announced after the U.S. Supreme Court on 15 June endorsed the kidnapping abroad of alleged criminals in order to try them in the United States, to the detriment of the extradition treaty. With that ruling, the U.S. Supreme Court rejected the request for extradition of Humberto Alvarez Machain, arrested in 1990 in Mexico and illegally taken to the United States to be tried for the death of a DEA agent in Mexico in 1985.

On 23 June, the U.S. delegation—which is led by Under Secretary of State Donna Hrinak [title as received] and includes representatives of the Justice Department and

the DEA—began negotiations with the Mexican authorities over the extradition treaty. During a recess in the negotiations, Carrillo Olea clarified that the activities and presence in Mexico of the DEA agents—39 at present—will not be the topic of negotiation because the definition of rules to regulate and limit their work "is an autonomous act of the Mexican Government." The official pointed out that "the Mexican authorities will merely notify the U.S. officials of the new rules regarding the work of the DEA."

The delegations of both nations presented their proposals for revising the extradition treaty during the first round of the negotiations that are being held at the Mexican Foreign Secretariat.

The Mexican authorities reject the ruling of the U.S. court and feel that the kidnapping of its nationals is "a criminal act." Ignacio Morales Lechuga, the attorney general of the republic, said on 22 June that "it is only up to the Mexicans to take action and judge those who violate the law on national territory." Morales Lechuga denied his stand defends criminals and added that it only confirms that the application of the law is a sovereign decision and prevents the abuse of force.

One week after the ruling on the Alvarez Machain case, the U.S. court annulled on 22 June the ruling of a lower court whereby the U.S. Government illegally took another Mexican to its territory to bring to trial. Rene Verdugo Urquidez was condemned on U.S. territory to 240 years plus life imprisonment for his participation in the murder of a DEA agent and a pilot.

**El Salvador****FMLN Commander on Demobilization Continuation**

*PA2406021892 San Salvador Canal Doce Television  
in Spanish 0300 GMT 23 Jun 92*

[Text] Farabundo Marti National Liberation Front [FMLN] Commander Nidia Diaz confirmed on 22 June that before the end of June, 20 percent of the FMLN troops will be demobilized.

This is the result of renewed efforts by the government and the FMLN to fulfill the peace agreement's deadlines on schedule.

Diaz said that some former fighters out of the 20 percent to be demobilized will join the National Public Security Academy, in line with the peace treaty, before forming part of the new National Civilian Police. The rest will join the country's productive life through reinsertion programs being negotiated with the government.

Diaz said that by 25 June, the two sides should have finished concentrating their forces in established sites.

[Begin Diaz recording] By 25 June, the two sides will have finished concentrating their military forces. We will be at the 15 sites that have been established in line with the treaty and its modifications, and the Army will be concentrated in 62 established points.

This implies that all former Finance Police and National Guard agents who have joined the Army will also be concentrated in the 62 points. [end recording]

Diaz said the FMLN and the government have the objective of overcoming delays in complying with deadlines established in the agreement's agenda.

[Begin Diaz recording] If we are going to demobilize this first 20 percent of troops in June, it is because there has been a general agreement on compliance. Both sides have been trying to catch up with all the points on which we are behind, or that have not been met, or that have been met in an evasive way.

As a result of this, the first 20 percent of our Army's forces now have the opportunity to rejoin society. [end recording]

Diaz also said the FMLN plans to demobilize another 20 percent of its forces in July to comply with the Chapultepec Agreement and that by October all the members of the FMLN's military structure will be reincorporated into society.

Regarding the legalization of the FMLN as a political party, Diaz said that her organization has been working on this since 1 May and that it believes the National Commission for Consolidation of Peace will have to prepare a bill to reform the electoral code to permit the FMLN's registration.

As of 23 June, UN Observers for El Salvador will begin verifying the demobilization of this first 20 percent of FMLN troops at the established sites.

**Nicaragua****Foreign Ministry Requests Citizen's Repatriation**

*PA2306204992 Managua Radio Ya in Spanish  
1100 GMT 23 Jun 92*

[Text] The Nicaraguan Foreign Ministry has issued a note to the U.S. Embassy requesting the repatriation of Douglas Gadea, a Nicaraguan kidnapped by DEA agents in La Aurora airport in Guatemala in September 1991.

The Nicaraguan Foreign Ministry requests that the United States repatriate Gadea so he can face existing evidence against him and stand trial in Nicaragua.

The Foreign Ministry's note rejects the illegal transfer of Nicaraguan citizens from a third country to the United States and calls for respect for international law.

**Interview With Foreign Cooperation Minister**

*PA2406011292 Managua BARRICADA in Spanish  
22 Jun 92 pp 1, 7*

[Report on interview with Foreign Cooperation Minister Erwin Krugger by Guillermo Cortes Dominguez in Managua; no date given]

[Text] International economic cooperation is of national interest and should not be politicized or used as a political instrument to settle internal differences, Foreign Cooperation Minister Erwin Krugger told the Legislative Assembly several months ago. Nevertheless, exactly what he wanted to avoid has now occurred.

The foreign cooperation minister, in broad but cautious exclusive statements to BARRICADA, explained why the 500 million cordobas for the nation's agricultural sector are unrecoverable.

Krugger pointed out that the U.S. President is not questioning the aid to Nicaragua. He added that the \$100 million in unrecoverable loans granted by local state banks are not only part of the U.S. aid, but also part of the total sum of foreign exchange granted to the Nicaraguan Government.

[Cortes] What is the current status of the retained \$100 million?

[Krugger] We are engaged in different negotiations at different levels with friendly governments and with diplomats. Missions have gone there [United States] to convince those people and to clarify certain points so they may understand the reality of the situation in Nicaragua.

[Cortes] Who is participating in these negotiations?

[Krugger] I would prefer not to list any names because these negotiations are very sensitive. Very intense and discreet negotiations are being held through diplomatic channels and through our friends.

[Cortes] Three points are being questioned. They talk about security, property, and the state bank. Is there a valid reason for these questions?

[Krugger] There are some obvious points. We will start with the bank losses. At the beginning, it was argued that the losses in the state financial system were due to a certain amount of tolerance by this government to allow the funds—as was pointed out in Mrs. Kirkpatrick's article—to increase the Sandinist's treasury.

The loss of the famous \$100 million is due to the state-run sugarcane refineries and the credits granted to the cotton and coffee sectors; there is the bulk of the money. This can be explained in part by a fall in the prices of coffee and cotton, high operational costs, inefficiency that has dragged on after a process of violence and war, and the loss of production technology. In addition, there was the hyperinflation Nicaragua experienced until 3 March 1991 [date Chamorro announced economic stabilization plan]—up to that time, costs rose at the same rate or even faster than the inflation levels.

[Cortes] Then, the state banks cannot be accused of mismanaging the funds?

[Krugger] I cannot judge this as I am not the authority who determines if there was mismanagement or not.

[Cortes] It appears that those [bank] decisions were not technical, but rather governmental political decisions.

[Krugger] There was a political will to continue financing the production and the agricultural export products. Of course, political decisions have to be expressed through technical mechanisms to grant credits, but we were facing a totally new situation. We were passing from a hyperinflation situation to total stability and the cost structures still had not been adjusted. Besides, this government inherited a state-run production structure, which is not precisely the most efficient manner to produce. This is why we want to privatize as soon as possible, so the state does not continue to assume these kind of losses as we are now in a more competitive economy at an international level.

[Cortes] If the cotton and coffee growers had not received the loans, would we have lost more than that \$100 million?

[Krugger] I do not know; we will have to see because if those loans had not gone to those sectors, they would have been given to other sectors. As a matter of fact, if those loans had not been granted, production would have dropped. This is what matters: After 3 March 1990 [date as published] we began a process of stabilization and that is when the true high cost appeared.

[Cortes] The point is, however, the \$100 million was lost, which is what the North Americans are saying.

[Krugger] That is definitely the point, but it is not because someone took it, but because it was spent on salaries, fuel, and transportation. Perhaps that happened because production was not efficient and because the relation between production costs and prices was not adequate.

[Cortes] How much is going to be recovered?

[Krugger] More or less 80 percent. The economic cabinet feels that the chances of recovering the money are slim.

I want to explain: That \$100 million was given as loans to the national financial system. The \$100 million is not the product of U.S. aid, but is part of \$500 million that Nicaragua had in foreign exchange resources. Those resources come from exports, totaling \$280 million, and the very valuable donations in liquid funds the AID and other countries give us, as well as from loans from other sources. The total resources allows the issuance of credit. For that reason we cannot attribute the fund to just one source. If we were to attribute it to any one source, we could say the \$100 million came from the \$280 million of Nicaragua exports.

[Cortes] What makes U.S. officials say the \$100 million is part of the \$614 million they have given us in the past two years?

[Krugger] I do not know. I am surprised by those remarks. I do not know if they are saying the \$100 million we lost came from the funds they gave us, because it is just about impossible to trace every single dollar.

As he is not used to news interviews, Minister Krugger obviously does not feel as at ease with us as he feels in his somber office sitting in front of his computer and programs to make economic estimates.

He recalled that "in barely two years of government, we have privatized 50 percent of state enterprises in a climate of stability and a framework of consensus. This is a record that when compared to the privatization plans of many Latin American countries, is perhaps one of the fastest. I think what we have done in Nicaragua has been extraordinary. That is why it truly saddens me to learn that Nicaraguans who claim to love the country have gone abroad to tell harming lies. I agree with Mrs. Violeta Barrios de Chamorro: that is unpatriotic."

[Cortes] That seems secondary, because the U.S. Government is doing the questioning, and I do not just mean one senator or congressman. Two U.S. Embassy officials here in Managua said that recently.

[Krugger] They said... I talked to them. Several ministers talked with them after this matter came up. They explained they were giving the reasons why some congressmen had adopted that stance, which would be different if, say, U.S. Secretary of State James Baker or

Bernard Aronson, assistant secretary of state for Inter-American Affairs, were to make that kind of statement officially.

[Cortes] Do you not see the U.S. Administration questioning the aid?

[Krugger] President Chamorro already stated very clearly that when she said she talked to President George Bush he promised to work on that. I do not regard this as a stance of the U.S. Administration. Of course, they are concerned; we all share that concern.... The economic cabinet is the most concerned so this does not continue happening.

[Cortes] The U.S. Administration, then, is not questioning the aid to Nicaragua?

[Krugger] I have to go by the remarks by Ambassador Michaels, AID director for Latin America. He said we had the support of his government and that he was also concerned—and that was the official U.S. stance—that these things are happening. Of course, he told me he wanted to help, and Mrs. Janet Ballatyne, AID representative in Nicaragua, also told me that.

#### **Communique Issued on Lacayo's Visit to Spain**

PA2306212192 Managua Radio Nicaragua Network in Spanish 1100 GMT 23 Jun 92

[Communique issued by the Nicaraguan Embassy in Spain; place and date not given]

[Text] The Nicaraguan Embassy in Spain reports that Presidency Minister Antonio Lacayo began a visit to Spain on 22 June. Minister Lacayo met with Spanish President Felipe Gonzalez for one hour and ten minutes. During the meeting, the two discussed the Spanish Government's support for the Nicaraguan Police training program and the professionalization of the Nicaraguan Army and intelligence corps.

President Gonzales reaffirmed his support for and permanent interest in Nicaragua, as well as his commitment to continue working for similar support from the EC and the United States.

Minister Lacayo also met with Spanish Defense Minister Julian Garcia Vargas. They discussed existing cooperation programs, as well as others to be initiated.

Minister Garcia Vargas said he is interested in cooperating on programs for the Nicaraguan Military Academy, the granting of scholarships, and holding seminars to train Nicaraguan Army officers.

#### **Former RN Chief Killed in San Pablo de Cubali**

PA2406043992 Managua LA PRENSA in Spanish 22 Jun 92 pp 1, 16

[Report by Celso Martinez O.]

[Text] Matagalpa—Former Nicaraguan Resistance, RN, members have reported the murder of former rebel chief Francisco Rivera Rivera. They said he was killed by unknown persons, allegedly, members of a group called "Mano Blanca" [White Hand].

The murder of Rivera Rivera, also known as Commander "Cadejo," occurred at a place called San Pablo de Cubali, on the road to Siuna, approximately 18 km from Waslala, at approximately 2030 on 18 June.

The former RN members stated that "Cadejo" was with a girlfriend in a small house on the side of the road when he was shot with a pistol. He died immediately. The murderers and the alleged girlfriend fled, they stated.

The former RN members reported that there are people from cooperatives who call themselves "Mano Blanca," whose objective is to kill all the RN chiefs in Waslala.

The anti-Sandinists told this correspondent: "We call on the authorities to investigate this crime and punish the guilty so we can return to our work in peace."

"Cadejo" joined the ranks of the RN's "Chilotes" group in 1980 and lately was farming the land.

#### **Panama**

#### **Attorney General Says U.S. Ruling 'Unacceptable'**

PA2306145392 Panama City EL PANAMA AMERICA in Spanish 23 Jun 92 p 2A

[Report by Orlando Mendieta]

[Text] Panamanian Attorney General Rogelio Cruz has described the U.S. Supreme Court ruling legalizing the kidnapping in other countries of any person sought by U.S. authorities as "unacceptable".

Cruz said all persons allegedly involved in crimes committed in Panama, either as masterminds or perpetrators, accomplices or accessories, will be investigated and tried in Panama.

Cruz' stand is backed by a communique stating that no foreign authority will be permitted to obtain custody of prosecuted persons either before or after a suspect has been apprehended by Panamanian authorities.

The document added that the executive, through the Foreign Ministry and the Government and Justice Ministry, is expected to maintain that position because it is obvious that a crime perpetrated in Panama should be dealt with in Panama.

The U.S. Supreme Court's decision elicited negative reactions from several political and social circles in Panama that oppose the ruling because they think it violates the country's sovereignty.

### **Jurist on Endara's Admission of Responsibility**

*PA2406040492 Panama City Telemetro Television Network in Spanish 1730 GMT 23 Jun 92*

[Text] President Guillermo Endara's public announcement has provoked reactions from various sectors. On 22 June, the chief executive claimed to be the sole civilian responsible for all decisions pertaining to the security and implementation of the activities in which U.S. President George Bush participated.

On this announcement jurist Cesar Quintero [former magistrate of the Supreme Court of Justice] stated President Endara's decision does not exempt the officials involved in organizing the events from penal responsibilities:

[Begin recording] [Quintero] President Endara's statement that he assumes the responsibility for the events or the way the authorities and public officials acted on 11 June involves only a political responsibility. Moreover, the president, according to Article 186 of the national Constitution, is only liable for two things: Crimes against the state's international status and crimes against public administration.

Thus, he is not responsible, penally speaking, for anything else. Well, also for abusing his constitutional duties, which is also very relative. He could by no means assume the penal responsibility for people—if there are any who are responsible penally—linked to the government or seeking to destabilize this government. He could not do that even if those involved are ministers or other government officials.

[Unidentified reporter] If he were summoned to testify by the Public Prosecutor's Office, would he be obliged to comply, or could he abide by the judicial code?

[Quintero] I have never seen such a thing in Panama. I read in the press that the attorney general made an statement in this regard. If the president was summoned, he could testify but in doing so, he would be establishing a precedent. [end recording]

### **Endara's Statements Viewed**

*PA2306212692 Panama City LA ESTRELLA DE PANAMA in Spanish 23 Jun 92 p 28*

[Article by Euclides M. Corro R.]

[Excerpts] On 22 June, President Guillermo Endara admitted to be "the only one responsible for all the decisions made regarding the events organized to receive U.S. President George Bush, including the Plaza Porras event." [passage omitted]

Endara admitted that perhaps he made a mistake when he thought it would not be necessary for National Police Director Oswaldo Fernandez, Institutional Protection Service Director Carlos Bares to postpone their trips to Argentina and Spain. Endara justified the need to hold a public event like the one organized at Plaza Porras for

President Bush to state publicly "what he has been telling me since 1990 when I visited Washington—that they will leave Panama as stated in the treaties." Endara also said the event was important so Leo Gonzalez (Nationalist Liberal Republican Movement legislator) and union leader Roy Bishop [represents U.S. Department of Defense workers in the Canal Zone] "would hear this from President Bush's own lips." [passage omitted]

Endara also mentioned the comments made by Guillermo Cochez, Christian Democratic Party legislator, to a local newspaper. Legislator Cochez said the United States was on the verge of invading Panama again because at that moment in Plaza Porras they felt President Bush's life was in danger.

"That is not true," Endara said and added: "I do not wish to describe Cochez' opinions, even though I would like to tell him a couple of things [vainas]."

### **Committee Files Charges Against Ministers, Mayor**

*PA2306200192 Panama City EL PANAMA AMERICA in Spanish 23 Jun 92 p 2A*

[By Juan M. Diaz]

The Committee for the Rescue of National Sovereignty on 22 June filed charges against Panama City Mayor Omayra Correa, Government and Justice Minister Juan B. Chevalier, and Foreign Minister Julio Linares for actions against state security.

The committee, which is made up of labor and university leaders, has reported that the charges are based on the fact that the two ministers and the mayor tried to organize in a public square a spectacle known as "A Meeting Among Friends" in honor of President Bush. During that event, security agents of the U.S. head of state wielded firearms outside their vehicles, thus endangering the security of innocent citizens.

The charges state that in the days prior to President Bush's visit, the Panama City Mayor's Offices circulated a pamphlet inviting citizens to the rally, "which implies that the mayor knew about the U.S. disposition to kill any Panamanian that U.S. agents may have deemed necessary to eliminate during the show."

According to the charges, the overwhelming presence of Southern Command airplanes in Panamanian airspace during Bush's visit has been condemned by Foreign Minister Julio Linares. Therefore, it is assumed that the planes' presence was tolerated by the Panamanian authorities. [sentenced as published]

The note states that it is necessary to determine whether the money used to prepare, organize, and hold the spectacle was budgeted and previously approved by the municipality's aldermen.

According to the charges, the accused officials committed other crimes such as endangering the lives of

citizens, abusing power, and minor embezzlement. For those reasons, the officials should be arrested and dismissed from their posts.

#### **PRD Communique on President Bush's Visit**

PA2406032392 Panama City LA ESTRELLA DE PANAMA in Spanish 23 Jun 92 pp A1, A2

[Communique issued by the Democratic Revolutionary Party, PRD, on U.S. President George Bush's visit, in Panama on 22 June]

#### **[Text] Press Statement**

The Democratic Revolutionary Party [PRD] hereby establishes its position regarding the events that occurred during the visit to Panama of George Bush, the U.S. President responsible for the invasion and subsequent occupation of our country on 20 December 1989, an occupation which still continues.

#### **Origin of Bush's Visit**

As the truth of the invasion of our country, with its sequel of unjustified death and destruction, is being uncovered gradually, the noble North American people and serious and responsible congressmen have reacted in solidarity with the Panamanian people against those responsible for the barbaric actions perpetrated and the propaganda used to disguise the facts and deceive the international and U.S. public.

In a U.S. election year, the strategists of Mr. Bush's reelection campaign urgently required a demonstration to neutralize the political reaction the truth about the invasion of Panama will have on those elections. For this reason, and with the eager collaboration of the local puppets, the strategists tried to turn Mr. Bush's technical stopover, which was completely unnecessary, into a political show. They expected popular demonstrations of joy over the visit of the leading person responsible for the genocide of our people, disregarding the patriotic feelings of Panamanians. The great majority of the local society rejected the announced visit and, particularly, the insolent show mounted at the park bearing the name of the distinguished supporter of our nationality, Dr. Belisario Porras. Nevertheless, Bush's politicians and his local supporters placed their electoral interests and abject opportunism, respectively, above the national feelings, despite the regrettable attacks in which an innocent U.S. serviceman was killed.

#### **Bush's Visit**

The local organizers of the show extolled the expected benefits of the visit. Ten days after the visit, however, the Panamanian people do not know what the puppets discussed with the puppeteer.

The country's great patriotic circles called the people to repudiate the insolent show at Plaza Porras. They were backed by the people. Those who repudiated Bush outnumbered those who applauded him by 10 to 1 and

prevented him from insulting the dead, wounded, missing, and dispossessed of 20 December with his planned speech.

PRD's active members, interpreting the nationalist feeling embodied in Torrijism, participated in the peaceful demonstrations to protest Bush's visit and joined the movement of those fallen on 20 December and other patriotic organizations. We reject the charges that we acted with violence.

#### **Those Responsible for the Failure at Plaza Porras.**

In view of the failure of the unwise and undeserved show at Plaza Porras, the puppet government entrusted the minister for government and justice, who is directly responsible for public security, with conducting an investigation that should have started with the minister himself and Mayor Omayra Correa. The result was as expected. The weakest went to the wall, with token penalties passed to police officers of lower rank and a fierce political repression unleashed against PRD leaders.

#### **Repression Against the PRD**

In fact, since she had to show her master how disgusted she is with those who foiled Bush's speech, Omayra Correa—who organized the Plaza Porras carnival—has activated judicial terrorism mechanisms against PRD Legislators Engineer Balbina Herrera Arauz and Dr. Edilberto Culiolis, who are blamed for the acts of violence that spoiled the show. The accusation would make us laugh in a legal state but, knowing the regime's history of judicial terrorism, we report it as a rampant act of political persecution.

The political persecution against Legislator and PRD President Gerardo Gonzalez Vernaza is even more critical and has extended to his family. The unconstitutional, illegal, violent, and lowly violation of his residence and parliamentary immunity is well-known. The aggravating circumstance about this action is that it was conducted with the participation of policemen from the U.S. Embassy in our country, following a brazen request from the Panamanian authorities. The iniquitous participation has yet to be denied by an embassy official, although our brilliant foreign minister first reported and then denied it. This is a true institutionalization of a lie, one after the other. The nation's true history will brand them forever, because the truth always prevails.

During the fruitless and lowly raid at Dr. Gonzalez' residence, the U.S. policemen took his passport and that of his son, Pedro Miguel, along with other documents, because they could find nothing illegal. As they must now invent something to justify their unspeakable abuse, Panamanian authorities want to accuse his son of an attack on U.S. soldiers, in which one of them unfortunately died, and they use the only thing they could take from the residence—his passport picture.

"Persons accused of perpetrating a crime have the right to be presumed innocent as long as their culpability is not proved in a trial...."

The Technical Judicial Police have cunningly violated the rules by profusely distributing the photos of six alleged suspects, including the passport photo of Pedro Miguel Gonzalez, son of Legislator and PRD President Gerardo Gonzalez Vernaza, undoubtedly endangering his position and prestige, and his very life.

This publicity also violates Article 2099A of the Judicial Code, which reads:

**Article 2099A**

"The presumption of the accused person's innocence makes it necessary to withhold his name and other details which may lead to his identification or connection with the crime being investigated, until there is an indictment against him. The failure to comply with this regulation will represent the crime of slander."

Given the absence of a legal state, the only thing we are sure of is that this obvious violation of the Constitution and the law will remain unpunished and, at the most, the authorities will term it as "a slip."

In addition to the above—with the local puppets' knowledge, and without any legal authorization—the U.S. Southern Command has offered a cash reward to anyone who gives information leading to the identification of the person who attacked their soldier. The local puppets, however, without any hesitation have already publicly identified six citizens, without any evidence and in violation of all their rights.

The reward, in the classic U.S. wild-west style, can be considered as barbaric behavior toward Panamanians and is rejected and condemned by the PRD.

The Torrijos-Carter Treaty prohibits U.S. soldiers from mobilizing in the city in military uniform. They mock these norms with impunity and they mobilize in combat gear and vehicles at all hours throughout the whole nation. This, undoubtedly creates unnecessary and unjustifiable provocation that has resulted in an excessive and deplorable violent reaction that we all now regret.

These incidents should move all the parties toward reflection.

We ask for true national reconciliation; we are not enemies of the American people, but we continue to reject their current leaders' subjection and disrespect of the nation's dignity.

The puppets and the puppeteers can go on inventing all kinds of imaginable accusations, but let it be known that the PRD is willing to pay whatever the price to redeem the people's solutions, their dignity, and the NATION's sovereignty.

[Issued] Panama, 22 June 1992

**Columnist on Marriott Incident, Court Ruling**

PA1906204592 Panama City EL PANAMA AMERICA  
in Spanish 19 Jun 92 p 6A

[From the "Hidden Truths" column by Tomas A. Cabal]

[Text] The 16 June incident across from the Marriott Hotel, in which heavily armed U.S. soldiers threatened Panamanian reporters; and the alleged participation of U.S. agents in the search of the home of Legislator Gerardo Gonzalez, must move the government to issue a strong protest.

Other reports contend that military vehicles with heavily armed U.S. soldiers move through the streets and avenues of Panama City. This also represents an unnecessary provocation, and if allowed to continue could result in another incident such as the watermelon war [reference to the so-called watermelon war of 1856 in which at least 16 persons were killed].

We understand that the U.S. Army wants to find out who was responsible for the terrorist attack that resulted in the death of one of its soldiers, but we cannot accept this incident being used as an excuse to violate our sovereignty.

I do not know why Foreign Minister Julio Linares is waiting to send a strong diplomatic note to proconsul Hinton, protesting what has happened. Furthermore, the note must be accompanied by a video shot by Channel 2 [Televisora Nacional] reporters, showing two heavily armed U.S. soldiers threatening Panamanian reporters.

Violent incidents between Panamanians and North Americans have developed as a result of less important incidents when the latter have attempted to behave like masters of the world.

The U.S. Southern Command soldiers' open violation of Panama's sovereignty occurs at a time when there is general protest against the U.S. Supreme Court's absurd ruling supporting the kidnapping of foreigners to stand trial in that country. Various well-known Latin American personalities have pointed out that it is absurd to attempt to impose U.S. laws on foreigners in their own countries.

We do not think that the United States would dare kidnap a European as they have kidnapped a Mexican. In Mexico, agents paid by the DEA kidnapped a doctor to consign him to the U.S. authorities, claiming he was involved in the death of a U.S. DEA agent. The U.S. Supreme Court ruling asserts that the U.S. soldier's killers, for example, could be arrested in Panama without the approval of the Panamanian authorities, and sent to stand trial in the United States. If this absurd legal idea is implemented, then the soldiers who killed Panamanian civilians after Operation Just Cause can

also be kidnapped. And as a well-known Mexican lawyer has said: the law of the jungle would prevail over international law.

We hope the government will wake up from its characteristic lethargy and understand that Panamanians will not tolerate the Yankee soldiers' abuses much longer, regardless of the excuse or justification.

How can it be that U.S. agents are working with officials of the Office of the Attorney General? Who authorized this abuse and why did they allow foreigners to assist in the search and arrest of fugitives in Panamanian territory? Who authorized armored vehicles to travel the streets of Panama City, and who authorized U.S. Southern Command soldiers to occupy positions near the Marriott Hotel?

We will see what answers we get from Foreign Minister Linares and proconsul Hinton.

Hinton, who has distinguished himself by his arrogance and rudeness with the Panamanian press, must give a clear explanation of the incident. U.S. soldiers just cannot travel the streets of our capital city as they please.

The pride of being a Panamanian is not a fleeting thing, and it is not mortgaged out of gratitude for having rid us of the dictator Noriega. After all, it was the United States that nourished, trained, armed, and financed him. The monster they came for on 20 December was "Made in U.S.A."

## Brazil

### Collor Speaks to Press on Corruption Charges

PY2406015392 Sao Paulo O ESTADO DE SAO  
PAULO in Portuguese 23 Jun 92 Politics Section p 4

[By Joao Bosco Rabello]

[Text] Brasilia—During the first interview in which he agreed to address such controversial and embarrassing issues as corruption in his administration or ties with businessman Paulo-Cesar [PC] Farias, President Fernando Collor yesterday made a long confession, in which he rejected the possibility of resigning from his post and attributed to speculators and "false friends" the rain of charges that are threatening the country's political stability.

Collor spoke for one hour and 20 minutes to 14 directors of the most important Brazilian media. He urged them to be more careful with the publication of charges against the government, and to grant more space to important structural subjects such as party, electoral, and government system reforms.

During one of the three times in which he described as absurd the theory of his resignation, he said: "I will fulfill my government term until the very last day." The president categorically stated that he is much more like Juscelino Kubitschek [former Brazilian president 1956-1961] than Getulio Vargas [former Brazilian president 1930-1945, 1951-1954]. Collor said he was shocked at the natural manner with which people discussed his resignation. He stated: "A friend phoned me to ask whether I will leave the Presidency." But he quickly explained: "I told him that I am very fond of my presidential term."

Truce—It was a request for a truce, a breathing spell, with which to make a reversal in the news which has been so unfavorable in the last few weeks that it tarnished the success of the Rio-92 summit. He complained: "My God, what are they trying to do? What do they want? They want to implicate the president and the government, as a whole, at all costs, with incorrect attitudes, to say the least."

Charges made by former government leader [in the Chamber of Deputies] Renan Calheiros, or by former Petrobras [Brazilian Petroleum Corporation] Chairman Luis Octavio da Motta Viegas, both of whom spoke of presidential support for the duplicitous activities carried out by Alagoas State businessman PC Farias, were attributed by Collor to "resentments and repressive actions" on the part of both. "Fair weather friends are like a shadow: They accompany us only when the sun is shining." He pondered more on the answer to Renan Calheiros, although his name was never mentioned. "Those of us who know what an election campaign is like know that the frustration of a campaign can produce bitterness and repressed feelings," Collor said of his former government leader, who was defeated in the

Alagoas State gubernatorial elections by Geraldo Bulhões, who was supported by PC and by the first lady, Rosane Collor.

Parallel CPI [Congressional Investigation Committee]—The president complained that by publishing charges of this sort, the press has created a parallel to the CPI. He appealed to journalists to support his efforts to make the CPI the only legal forum that can decide and try the charges raised against the government.

The most delicate part of the conversation, which was also attended by Government Secretary General Jorge Bornhausen—who did not utter a single word—was when he was questioned about his ties with PC. Compelled to make a categorical denial about this relation, which reportedly backs PC's duplicitous government activities, Collor referred to it in legal terms. "I do not understand anything about disentanglement." He noted: "They have to prove this in court."

But he did not mince words when he referred to his younger brother, Pedro Collor. "Nothing justifies what he has done to Brazilian society," he said, when he defined his brother's charges as resulting from "much envy and anger." He also blamed egotistical politicians for the charges. He said: "They brush dandruff off their shoulders and comb their hair before being filmed." The following are highlights of the interview.

Pedro Collor—"A dramatic situation, to say the least. I had to apologize to society on behalf of my family, and adopt the suitable measures. You may all well imagine what it means to file suit against a brother through the criminal code. The damage he caused to Brazilian society cannot be justified, although he may have been led by anger, jealousy—only God knows what else."

PC Farias—"I have said that my government does not allow any type of parallel action developed by anyone, no matter who. All accusations are always refuted. All accusations have been refuted. Those who would like to hint that I might be assisting in a theoretical way the development of A, B, or C will have to prove it in court."

Renan Calheiros—"It is important to see the level of those people. Those who have followed, or those who are aware of the electoral process, know what resentment, bitterness, or frustration can do. I always ask myself: If they had a contribution to make, why didn't they make it before, some time earlier? What special motivation have they received now? I cannot keep refuting everything they say about me. I cannot change them into vestal virgins because I was elected president of the Republic."

Late Reaction—"Many people have been pushing me: 'Mr. President, you must react.' Refute, refute, refute what? What a sad show we would have been giving our guests who came for the Rio-92 Conference, when Brazil was receiving all the heads of state and of governments, when they were here talking and approving financing of up to \$5 billion! Yesterday's speech (Sunday night on television) was originally scheduled for today (Monday

morning), but was advanced due to the weekend report (interview with Renan Calheiros, former leader of the PRN—National Reconstruction Party—in the Chamber of Deputies)."

**Resignation**—"A friend phoned me the other day asking: 'But Mr. President, you are not going to leave the government, are you?' I mean, people are already talking about it! I told him that I am very fond of my presidential term because of its significance. I keep asking: My God, where do they want to go, what do they want? By all means, they want to get the president of the Republic and of the government as a whole involved in at least illegal activities attributed to A, B, or C. Through respect for my presidential term I have to reply and refute in an exhaustive manner, until the courts confirm and reestablish the truth. But this is worrisome because of the importance some people give to the news, the importance given to people who accuse—at times well intended, but conducted by others of bad faith, clever people who sell difficulties to reap easy benefits, people who benefit from the fluctuation of the stock market."

**Presidential Term**—"In addition to the confidence in the government program and project, I want to say that I will be absolutely firm in the fulfillment of the task I have been given. My future in this transition in public life is determined by the fulfillment of my term to the last day. Speculation does not help the country. I am much more like Juscelino Kubitschek than Getulio Vargas: I have a mandate to fulfill, and I will fulfill it to the last day."

**Accusations**—"I make it a daily exercise not to be dragged down by the same spurious formulas some are using to attack the government. People are taking advantage of the situation to send letters, documents, about people seeking government protection, to the newspapers. In the same manner in which they reach the newspapers, these letters also get here, and at times one feels the desire to use these same things in our favor, but they are mechanisms that come to the heart of what a democratic society is. We cannot change this into a fascist society. The courts must play their roles in a freer manner, and as openly as possible."

**Parliamentarianism**—"There has to be more room to discuss truly essential matters, such as the party and electoral reforms, and the government system—that will make the campaign issue, for example, more explicit. Dr. Ulysses (Deputy Ulysses Guimarães) will soon be installed as chairman of the Nationalist Parliamentarian Front (an organization consisting of people from various sectors headed by former Sao Paulo Governor Franco Montoro). We have already submitted to him a summary of what we think about the matter. A referendum on the government system will be held on 21 April, that is, within nine months. A simple discussion about these changes, the survey, and the debate on the district vote has already generated more possibilities."

**Mass Media**—"This is a very powerful institution. If used to benefit the country, it will undoubtedly help greatly. Mass media is very powerful. It is difficult for people to resist a television camera, or the first page of a newspaper, or a weekly magazine. On many occasions we have seen people caught off guard before the interview. They are unaware that they are being filmed while arranging their hair, brushing the dandruff from their shoulders. There are people who like to tell people things that are not true. Consequently I make this request, in my capacity as president of the Republic: Let's have more space to discuss other matters; let's ask for a little space. We have many issues to discuss, including the institutional reforms, the port reforms, the project for 2010 of Professor Helio Jaguaribe, which is not a rhetorical one. We are accustomed to being pressured by the short term system."

**Instability**—"There is no instability whatsoever. What has been said in this regard is that an artificial atmosphere prevails. If things weren't stubborn... There is too much speculation about whether this or that happens. These speculations gain preference in the pages of newspapers and magazines. Even the international media, which was critical of Brazil, praised the Rio-92 conference, and the FINANCIAL TIMES (a London newspaper) stated that Brazil, from being a criminal, became a hero after the conference."

**Military Men**—"Military men and diplomats work. I recall that during my visit to Spain, Gonzalez (Spanish Prime Minister Felipe Gonzalez) told me: 'I want to make a suggestion to you. If you want something to work, you have to assign it to a military man or a diplomat. If you ask a military man to provide you with a helicopter by midday, you will have it at that time. If you ask a civilian, he will be on time just the first day, then he will begin to be late. And be prepared, because the first year will be a difficult one, and the second will be worse.' After the success of the conference in Rio, I could thank him."

#### **Former Petrobras President on Collor Government**

*PY2406025692 Sao Paulo VEJA in Portuguese  
17 Jun 92 pp 7-11*

[Interview with Luis Octavio da Motta Veiga, former president of the Brazilian Petroleum Corporation, Petrobras, by correspondent Elio Gaspari in New York "last week"]

[Text] [Gaspari] Do you think President Collor is corrupt?

[Motta Veiga] I think the ethical standards of President Collor's government are lower than expected. His is a government that is lost in an ethical swamp, from which it will not be able to get out until the end of his term in office. I do not think that he would survive a serious investigation getting to the bottom of things.

[Gaspari] Will he fall?

[Motta Veiga] What I am saying is that he will not get out of it untarnished. All else is unpredictable.

[Gaspari] Do you think the Congressional Investigating Commission [CPI] installed to investigate corruption charges will produce any results?

[Motta Veiga] That depends on what you understand by "results." The fact that the CPI heard Pedro Collor's report is already a positive development. No matter how much his report is attacked, it is something that Brazil already knew, but did not say anything about. There is an attempt to make Pedro Collor sound like a clown, in order to move the discussion to a not-so-serious arena, where his mental powers or the physical characteristics of his wife can also be discussed. In this way people will not hear what he is telling them. We are witnessing things that were never seen before. I do not think the CPI will end with nothing, as the government's political coordinator, Minister Jorge Bornhausen, said. Otherwise why is the government concerned? Paulo Cesar Farias is not a minister; he does not even have a public position. What are his links with the government?

[Gaspari] Do you believe that Paulo Cesar Farias and President Collor are partners?

[Motta Veiga] I can say—because I heard this from Mr. Paulo Cesar Farias—that they are very close. I can also say—because I saw it—that Mr. Paulo Cesar Farias circulates through President Collor's government with a strange and impertinent forwardness, conducting business that is not his own. Someone has given him this power. The CPI and the police must investigate this gentleman's illegal activities, but the origin of his influence must also be investigated. The functioning of the parallel power scheme within the Collor government, operated by people who present as credentials their closeness to the president, must be investigated.

[Gaspari] What is your experience with this parallel power?

[Motta Veiga] During my tenure as Petrobras [Brazilian Petroleum Corporation] president, between March and October 1990, when I resigned, I was sought by four representatives of that scheme, namely Paulo Cesar Farias, Pedro Paulo Leoni Ramos, Sergio Rocha, and Claudio Vieira. They had a common speech. They presented themselves as expressing interest in enhancing the relations between Petrobras and Planalto Palace. Mr. Sergio Rocha talked to me, saying that some businessmen who had contributed to the campaign had business with Petrobras. He said that I had to take into account that the president was a young man, and that he needed a good political base. I told him that the company had a technical team, and that attention would be paid to the contentions of these businessmen, as long as they agreed with Petrobras' interests. He never sought me again.

[Gaspari] When did you see Paulo Cesar Farias for the first time?

[Motta Veiga] When he appeared during one of the preparatory meetings of what was to become the Collor Plan at the Transamerica Hotel in Sao Paulo. I knew he was the one handling the campaign's funds. Professor Zelia Cardoso de Mello commented on that occasion that he was the closest person to the president-elect. Shortly after my installation at Petrobras, he asked to meet me, and we had lunch at the company's building. He was complaining that he was attracting much curiosity for being a very influential person. At a given moment, he asked me in a general manner about the course followed by bids within the company.

[Gaspari] Did he raise any contention at that meeting?

[Motta Veiga] None.

[Gaspari] When did he show up with his first deal?

[Motta Veiga] A week later. He telephoned my office to discuss a bid to supply a submarine drilling platform for the Enxova oil field. It was a contract in which the companies participated by being involved in the supply of a submarine drilling platform, and also in the foreign loan to finance the operation. This bid involved about \$250 million. It was a contest among three large companies: Tenenge [National Engineering Technical Company] (owned by Norberto Odebrecht), Andrade Gutierrez, and Mendes Junior. In order to understand this situation better, let's mention that until that day, not a single agent of any one of these companies sought me. Likewise, not a single member of the Petrobras technical team reported to me about any political pressure concerning the platform's supply. Tenenge had the best price and the best financial package. Paulo Cesar Farias wanted to know who was going to win the bid. He again telephoned three or four times, and visited me twice.

[Gaspari] Was he always willing to know the results of the bids beforehand?

[Motta Veiga] Always. On another occasion, he pleaded for one of his brothers, who was a concession owner of a Petrobras gas station in Alagoas State. His brother was a deadbeat; he was in debt with the company, and the supply of gasoline was discontinued. I told Paulo Cesar Farias that nothing could be done until his brother paid.

[Gaspari] What is wrong with wanting to know who will win a bid?

[Motta Veiga] The secrecy of bids has countless merits. The most important one is to prevent the appearance of profiteers asking for commissions to promote politically a deal that has already been resolved technically. During one of our meetings at Petrobras, he asked me if I could check with the engineers the profit margin for the supply of that oil drilling platform. I told him that in view of the deal's complexity, no engineer would be able to reach a reliable figure. The operation had a peculiar financing system, and the Petrobras technicians themselves had great difficulty in tabulating the proposals. It was a

difficult conversation. It created an atmosphere of impatience with him and, in my view, he was also impatient with me. After the Petrobras Council chose Tenenge's proposal, I called Emilio Odebrecht and I told him that it was an exclusively technical decision, without any influence from Paulo Cesar Farias. I even told Odebrecht: "If he wants to give money, he will do so because he wants to." During this talk, I was under the impression that there was no relationship between Odebrecht and Paulo Cesar Farias.

[Gaspari] Did Farias complain?

[Motta Veiga] No.

[Gaspari] How long did he remain out of the circuit?

[Motta Veiga] One or two weeks later, he showed up with the case involving the fuel financing for VASP [Sao Paulo Airlines].

[Gaspari] What did he want?

[Motta Veiga] VASP owed \$6 million to Petrobras, and it was being privatized. Paulo Cesar Farias dealt with the interests of entrepreneur Wagner Canhedo, the main party interested in the purchase and VASP's current owner. Paulo Cesar Farias raised a proposal by which Canhedo would swap the \$6 million debt for a \$50 million fuel financing, without interest. Paulo Cesar Farias raised that proposal with me for the first time even before VASP was sold out to Canhedo. It is necessary to emphasize that Canhedo did not include that petition in his proposal to purchase the company. A fine thing to do, because one thing is to purchase VASP for a price, and another is to purchase it for the same price with \$50 million in fuel, without interest.

[Gaspari] What was your response?

[Motta Veiga] In that case, as in all other cases, I said the issue would be handled following the handbook, listening to the company's technical team.

[Gaspari] Was the proposal formalized after Canhedo purchased VASP?

[Motta Veiga] He reduced the figure to \$40 million. Always without interest. Some weeks passed by, and Paulo Cesar Farias again sought me. His argument was the following: "The only thing missing now is that you do your part."

[Gaspari] Why was this a bad deal for Petrobras?

[Motta Veiga] First, because not even charity institutions lend \$40 million without interest. In 1989, interest rates were over 10 percent per annum. Second, because VASP was a bad debtor, and Canhedo was unknown to the company. Where would you hear of swapping a \$6 million debt with interest for a \$40 million debt without interest? And where would you hear of doing this with a debtor who is not paying?

[Gaspari] Why did you not make a counterproposal?

[Motta Veiga] He would not talk to me to negotiate on something that could become a public interest issue. This is a very peculiar characteristic of the parallel power scheme. It is such an almighty, arrogant thing. This gentleman did not seek the Petrobras president to negotiate, but almost to convey a decision. Even being a very gentle—almost unctuous—person, he suggested that it was not appropriate to examine the proposal technically, but just to accept it.

[Gaspari] How did this arrogance become apparent to you?

[Motta Veiga] Remarks of the type "Motta Veiga, you are creating many difficulties" surfaced. Then came another litany: "Are you appropriately controlling the machine?" or "Could it not be that the machine has something to do with this?" As time went by and the deal did not come through, another pet phrase appeared: "Could it not be that by changing the board of directors things might become easier for you?"

[Gaspari] Did you control the machine?

[Motta Veiga] What does this mean? It represents a deception. Petrobras has a first-class technical team, and the shortcomings that he complained about as inadequacies were in fact simply the result of sheer theft. How could I be a prisoner of a machine, in a company from which I removed 5,000 workers to streamline the payroll? The problem is that the machine was saying that it was robbery, and it actually was robbery.

[Gaspari] Paulo Cesar Farias has repeatedly said he sought you because he is a very good friend of Canhedo.

[Motta Veiga] If he was Canhedo's friend, why is it that he sought me? I never was his friend.

[Gaspari] How many times did Paulo Cesar Farias discuss the \$40 million case with you?

[Motta Veiga] Personally, twice. Over the telephone, more than 10 times.

[Gaspari] If, after the platform case, you concluded that he was involved in influence peddling, why did you answer his phone calls?

[Motta Veiga] Out of courtesy, and also because after he dealt with the case of the gasoline station owed by his brother I erroneously believed that he had given up doing big business with Petrobras.

[Gaspari] Why didn't you expel him when he made the VASP proposal?

[Motta Veiga] Because it was not necessary. I was going to reject the proposal. I could have met him a hundred times, but no financing would be granted. It would have been fine if he had been the only person involved.

[Gaspari] In addition to him, who else worked for the loan for Canhedo?

[Motta Veiga] Presidential Secretary General Marcos Coimbra called me in September. He wanted to know the status of "the VASP deal" and I explained to him that the deal would not be made. He asked my why, and I replied that the enterprise's technical team advised that the operation should not be performed. I told him that I could send him a copy of the technical team's report, and that I would be glad to reopen the case if he found the report to be inaccurate. I recall his reaction perfectly well: "Eh, this will cause big trouble. Planalto Palace is very much interested in promoting the VASP privatization process." He told me that he would talk with President Collor and that, if necessary, he would call me again. I told him that I was leaving for New York and that I would stay at the Mayfair Regent Hotel. I gave him the phone number: 288-0800.

[Gaspari] Did Coimbra call you back?

[Motta Veiga] No, but Paulo Cesar Farias did call several times. I had the calls answered with a message that I was jogging at Central Park. This made him impatient, and he told my wife that I did not want to talk with him. She told him that he was right.

[Gaspari] Who gave your address in New York to Paulo Cesar Farias?

[Motta Veiga] It was not my electronic answering service. Neither was it my secretary, nor the chief of the Petrobras presidential board. He could have learned it only through Marcos Coimbra. I am not aware of their mutual deals. Farias now says that he resorted to Coimbra on behalf of a 20 year-old friendship. That's their business.

[Gaspari] How did Paulo Cesar Farias let you know about the power that he had in the government?

[Motta Veiga] He mentioned his close ties with the president, whom he called "Fernando." He told me that his house was close to the Casa da Dinda [presidential residence]. He told me that the president used to visit his house even when he was not home. There is a point that I would like to make clear: He is vulgar. Not only because he comments on details of the private life of other people, but because even his insinuations are rough. Once he told me that I should consider him as the only channel for dealing with Planalto Palace, and that he would take care of everything. He is one of those guys who would tell you "we will not forget you." He would call you up to tell a story: "Fernando is very satisfied with you," or "you are doing fine." If he was ignored he would say that "you are not cooperating."

[Gaspari] You are a lawyer. Did Paulo Cesar Farias engage in any illegal activity?

[Motta Veiga] It would be enough to see his income tax statements. Who is he? A businessman, the representative of Massey Ferguson tractors in Alagoas. The Central Bank put his company on the black list of unfit companies. In a few years his income tax rose to \$1 million. He

has a fleet of light jets, and he bought a table worth \$200,000. What else does he have to do? Those actions themselves are enough, more than enough, for taking legal action against him.

[Gaspari] The government claims that he cannot be crucified without evidence.

[Motta Veiga] I do not mean that Paulo Cesar Farias should be arbitrarily harassed, as happened during the dictatorship. What I do say is what he has already done is ostensibly more than enough for taking legal action. The use of external display of wealth as evidence has long been allowed by our laws. As for the need for documentary evidence, let us talk clearly: It is practically impossible to provide documentary evidence in white collar crimes. Has anyone seen a receipt for a commission? Have profiteers ever signed a contract? What is to be done in the wake of the difficulty in gathering documentary evidence: perpetuate the embezzlement or enforce justice? In countries that seek to enforce justice, like the United States, Great Britain, and Germany, public prosecutors' offices make plea bargains with witnesses, offering guarantees for them to report what they know. This is how the U.S. courts caught Michael Milken, one of Wall Street's most powerful men. If the authorities want to avoid capturing a white collar criminal, the only thing they have to do is announce that they are looking for evidence. The criminal will understand the signal.

[Gaspari] What signal?

[Motta Veiga] The signal that the authorities prefer to forget the issue, and that they will deal with it only if it is impossible to conceal it. If you do not want to clarify a crime, nothing will compel you to do it. Take the Los Angeles case. There was even a video of the beating of Rodney King. Is it necessary to ask for more evidence? The members of the jury of that conservative white community did not want to sentence the policemen, and they did not sentence them.

[Gaspari] Do you believe something similar is occurring here?

[Motta Veiga] We have to wait a little longer, but meanwhile we should ponder what is occurring. In the opinion of the government officials, there is ruling class deception about documented evidence. I am talking about deception, because no one needs more evidence to say that Mr. Paulo Cesar Fairas has been evading taxes. For less than that, several have been arrested in other countries. Let us consider the lower classes: Is evidence against exterminated street children being sought? This concern about the lack of evidence against members of the parallel scheme is moving. It is very comfortable to say that there is a crisis of ethics in the country because the children who live at Bandeira Square steal sneakers. Our ethics problem, however, result from adults who occupy part of the Three Powers Square. I once did some calculations just for practice: Let us allow that the Tenenge platform yielded a \$10 million commission.

How many pairs of sneakers could have been purchased with this amount of money? Something like 150,000 pairs. Each of these deals is similar to 150,000 holdups. Currently, it is common to hear it said that someone committed fraud for \$1 million, and that someone else did the same for some other \$1 million. What do \$1 million represent to the government? Approximately what 4,000 middle class Brazilians pay in direct and indirect taxes for a year. Just think about this: 4,000 citizens must work and duly pay their taxes so that a smart guy can steal \$1 million.

[Gaspari] When you reported on Paulo Cesar Farias in 1989, did anyone contact you to begin any sort of investigation?

[Motta Veiga] An investigation was started, but did not result in anything. The deal was conducted on various bases and paid parties. I had indications, however, that my life began to be investigated. The president of the Republic said that I was not functioning well, and that I had to be replaced. Perhaps he was right, but now we are beginning to understand what he meant by not functioning well. Apparently, however, Mr. Farias was functioning well. The Planalto Palace spokesman said that I was an insubordinate person. After leaving Petrobras, several doors began to close to me, and I even received some veiled threats. I decided that it was not appropriate to remain in Brazil. Therefore, I accepted the invitation of a British company and moved to London.

[Gaspari] What contacts have you had with Pedro Paulo Leoni?

[Motta Vega] Few. In one of the first contacts, he showed me a list of 12 or 13 names of candidates to become directors of Petrobras subsidiaries. Only one was appointed and did well on the job. Leoni insisted very much on the other names. He was one of those who adopted the slogan: "Motta Veiga, you are not cooperating." I was quite stunned once, when he called me during a terrible Petrobras strike. He was the government's strategic affairs secretary, and Petrobras was paralyzed. I answered the phone believing that he wanted to discuss the strike. Therefore, I reported on the situation in detail. He listened to me silently. Then, he asked me about his candidates.

[Gaspari] When he contacted you did he try to create obstacles to your businesses?

[Motta Veiga] I have had few contacts with him. He asked me to give some of his favorite agencies the Petrobras publicity campaigns. I told him that the company only operated through biddings, and that this system would only be modified if I received written orders from Planalto Palace to do so. He obtained the orders, and the work was given to the agencies. One of them received money from Petrobras Distributors, and did not pay for cars. I protested that and the debt was swiftly paid for.

[Gaspari] Will justice be done if Farias is sacrificed?

[Motta Veiga] Only him?

[Gaspari] Yes.

[Motta Veiga] I do not think so. The person who granted him the power to do what he did will also have to be punished.

[Gaspari] What is Farias' source of power?

[Motta Veiga] He told me it was called Fernando Collor de Mello.

[Gaspari] For whom did you vote?

[Motta Veiga] In the first round for Senator Mario Covas, in the second round for Fernando Collor.

[Gaspari] Pedro Collor said he hopes to see you standing by him in his struggle. Can he hope for that?

[Motta Veiga] I have no business with Pedro Collor. I am not echoing what he said. I have never been Farias' friend. I do not share Pedro Collor's reasons or objectives. His interests are not similar to mine. Nor his style. Despite all that, I believe every detail of his charges must be investigated in detail. It would be terrible to see Pedro Collor's charges end up in the same waste basket where the VASP affair was thrown. People are rather paranoid about what will happen if the investigation continues. The key question is: What will all that result in? During the Watergate crisis in the beginning of the 1970's, U.S. historian Arthur Schlesinger wrote an article saying that the crisis was testing the country's Constitution, because it then was the time to clarify whether the article on presidential impeachment was simply decorative or really a legal provision.

[Gaspari] Are you in favor of impeaching President Collor?

[Motta Veiga] It is not a matter of being for or against it. Either there are reasons to contemplate impeachment, or there are not. I am for investigating all charges and continue the due process, nothing else. Against this line of conduct is the behavior of some people who pretend to fear a political crisis when in reality they only want to cover up criminal activities. We can go even further: Criminal activities are covered up in order to maintain a status quo that is hurting the country. Mr. Paulo Cesar Farias would never have piled up as much money as he did even if he had the Massey Ferguson concession for all of Latin America, and not only for Alagoas State. This is not old or something of the past. I was president of the Movable Goods Value Commission during Jose Sarney's government and the administrations of Ministers Dilson Funaro and Luiz Carlos Bresser Pereira. I filed suits against large companies. We fined dozens of companies, including Cobrasma and Eluma [expansion unknown]. I ordered an investigation of the Trol Toy Factory that was owned by Funaro. Do you know how many telephone calls I received because of it? Not a single one. Funaro and Bresser never said a word to interfere in our work. No one laid obstacles, made insinuations, or spoke

to us as the minister's friend, or anything of the like. In other words, there are honest people in the country, and public administration is not a den of thieves. Brazil is not a country of outlaws.

[Gaspari] Don't you think it is tremendous bad luck that the crisis exploded only shortly after the ministerial reform that expelled some of those operating in the parallel government?

[Motta Veiga] You do not always destroy a bad scheme by just separating a few people. Let us mention names: Paulo Cesar Farias has already publicly said that he nominated Mr. Lafaiete Coutinho for the presidency of the Federal Savings Bank. Lafaiete is now president of the Bank of Brasil. Maybe it was a happy coincidence, but while I was a public servant Lafaiete did not produce a single idea which after implementing left the public patrimony intact. In the second place, a corrupt person will stop stealing just because he is moved to another ministry. The only way to fight corruption is sending those who are corrupt to jail. The rest is just talk, or a joke.

[Gaspari] Do you want to testify at the CPI?

[Motta Veiga] My allegations were made public in October 1990. No one denied them. I never had to take back a single word. The CPI will summon me if legislators want to hear me.

## Chile

### Ominami Rules Out Pressure in U.S. Trade Treaty

PY2306192092 Santiago LA TERCERA DE LA HORA in Spanish 17 Jun 92 p 19

[Excerpt] Economy Minister Carlos Ominami ruled out the possibility of conducting previous negotiations with the U.S. Government on intellectual property and investment protection, prior to beginning official talks on a free trade agreement between the two nations. He added that there will be a single agreement involving various issues. This will not prevent progressing on various issues of an informal nature in order to gain time, he said.

The economy minister said this when discussing remarks by Myles Prechette, a U.S. Department of Commerce official, who, during an interview, said that previous negotiations on investment protection and intellectual property were required.

The economy minister emphasized that progress will be made on various issues before holding official negotiations with the United States. He said this will help to resolve the agreement in the shortest possible time. [passage omitted]

### \* Minister Correa on Lagos, Coalition Program

92SM0440A Santiago HOY in Spanish 18-24 May 92 pp 20-21

[Interview with Enrique Correa, Minister Secretary General of Government, by Mauricio Gallardo; place and date not given]

[Text] On 13 May 1992, a little before lunch, Minister Enrique Correa received HOY in his office. Only a few days away from the presidential message, the state secretary agreed to talk about the postelectoral panorama, a presumed cabinet change at year's end, other subjects that concern the government, and also one of the themes that concerned the government last week: Ricardo Lagos.

The following are the questions and answers that HOY exchanged with Minister Correa.

[Gallardo] With regard to Lagos, are we talking about an important, long-term event or only a gesture?

[Correa] I think it is long-term. Ricardo Lagos is the most important leader in the socialist world and the PPD [Party for Democracy]. He is creating two positive phenomena. First, to legitimize that a socialist could again become president of the Republic. And second, because of his up-to-date, moderate, nonideological leadership, it will mean the consolidation of socialism as a viable and democratic force. Lagos is the contemporary leader that socialism needs.

[Gallardo] But will he be able to bring order to the eternal disagreement between the PS [Socialist Party] and the PPD?

[Correa] I do not have the slightest doubt that Lagos is already an influence for order. This is the role that sometimes falls to leaders and is also the cause of their loneliness. I do not agree with applying the adjective "eternal" to the disagreement between the PS and the PPD because it is a recent conflict and a new way of creating political strength is emerging in the culture of the left. The PPD is naturally fearful of being weighed down by a history of the PS that contains achievements and mistakes. The PS has too much responsibility to its own history to dismiss it so easily and march off to create a new force without a past. It is a mutual path that cannot be foreseen, much less forced.

[Gallardo] There is increasing talk of shortening the presidential term.

[Correa] The government did not include it in the first package of reforms. We think it might be a subject to be discussed with the right. But I want to make clear that if shortening presidential terms contributes to the consistency, longevity, and stability of the coalition, I do not believe that anyone is tied to the eight-year presidential term as dogma.

[Gallardo] Ricardo Lagos spoke at the El Conquistador Hotel of the option of four years without reelection.

[Correa] It is one of the possibilities under study.

[Gallardo] What others are viable?

[Correa] Four years with reelection, five and six years. This is part of what must be discussed immediately after the election of council members.

[Gallardo] It is a great proposal for the opposition. What will the government ask in exchange?

[Correa] That is subject to discussion, but we are interested in electoral reform, changing the constitutional court, and the organic law of the Armed Forces.

[Gallardo] Does not the fact that Lagos is operating behind the scenes create a feeling of dispersion in the government?

[Correa] On the contrary! We think that the emergence of several presidential candidates to continue our work is very healthy. There are no candidates in our coalition who propose dramatic changes, and that creates an appearance of stability for the whole country.

[Gallardo] The debate is how to organize continuity? In a supraparty organization or with the participation of the parties, as seems to be the opinion of Lagos?

[Correa] In different ways. We received, it was the subject of an article in your magazine, information that Corporation 2000, which belongs to the Program of Legislative Support directed by Genaro Arriaga and Juan Enrique Vega, was interested in creating a program called prospective studies. Basically, it sought to establish lines of continuity between the present government of Concertation and the next government. We are naturally interested in that, Minister Boeninger, Ominami, Foxley, and I. We always had, moreover, and this is very important to emphasize, direct knowledge that the corporation had talked to the parties and, therefore, the initiative had the full approval of the Christian Democrats, the Socialists, and the PPD. One of the promoters of the initiative, in fact, was Sergio Bitar. As there were conversations toward a very useful dialogue, we indicated our inclination to take part because, truly, what we are interested in is the continuity of what we are doing.

[Gallardo] And why in such a clear context would Minister Lagos deliver such a different and even accusatory lecture against Solari and Ominami?

[Correa] I did not hear that from Minister Lagos. I heard his concerns about the nature of the initiative, about which he had not been informed. He had been out of the country, and Ricardo Solari and I were very surprised. We even let him know about it because many political leaders close to him had been working on it.

[Gallardo] Like who?

[Correa] I repeat that Sergio Bitar had an active role in putting together this initiative.

[Gallardo] Who seems to have changed his mind afterward.

[Correa] It is likely. It is likely because political leaders always reexamine their views. What is important to me to clarify is that the interest of the government team is the continuity of the government's program, not that of the team. It was painful to me that in the delivered version the honor of a key person in the government, such as Ricardo Solari, was damaged. He has behaved with complete loyalty to the government, fulfilling his function as undersecretary to the Presidency, in the full knowledge and conviction, which I also share, that the parties were fully aware of the entire initiative.

[Gallardo] Important decisions are coming up after the municipal elections. Is a cabinet change probable?

[Correa] I have the impression that there are going to be two important themes during that period. Electoral reform and a serious effort to install efficient municipal governments and put into operation the new regional councils that the regional government law will require. The president's team is completely up to the job. Now, it is possible that from now to the end of the year, some ministers might express their intention to try for senatorial candidacies. This is going to depend a lot on electoral reform. That will be the time when the president makes a change in the cabinet, if he believes it necessary, and to confirm, if he so desires, those of us who want to stay with him until the end.

[Gallardo] "Those of us who want to stay"? Is it not true that you were working toward a senatorial candidacy in the fourth region?

[Correa] No, no! I would like to support my cousin, German Correa, very enthusiastically in an area like that.

#### \* RN President Assesses Electoral Prospects

92SM0440B Santiago HOY in Spanish 18-24 May 92  
pp 14-15

[Interview with National Renewal President Andres Allamand by Nibaldo Mosciatti; place and date not given]

[Text] Andres Allamand, president of National Renewal [RN], arrives quickly and answers the same way. The day is short; he can vouch for that. The party has become disorganized for Allamand because of the commotion, which is somewhat fictitious, created by the launching of competing presidential precandidacies by Sebastian Pinera and Evelyn Matthei. He knows that he will have to establish order and hopes that the passage of time will help. He speaks here about the RN, but not without poking a few darts at Ministers Krauss, Rojas, and Enrique Correa, in passing.

[Mosciatti] How true is it that the dispute over the presidential precandidacy between Sebastian Pinera and Evelyn Matthei is not the first mix-up over the presidency of the RN?

[Allamand] No, until now nobody has connected determination of the presidential candidate with our internal elections. And, in any event, that would not be very important, considering the party's idiosyncrasy. In August there is a process for the renewal of party authorities, but I do not believe that anyone is inclined to elect district, regional, or communal presidents depending on one or another presidential alternative.

[Mosciatti] But is not Sebastian Pinera a possible candidate to succeed you in the presidency of the RN?

[Allamand] I really do not think so. Neither is Evelyn. I, and the team I have led, have a political program and an organizational program. I have always thought that in order to be able to complete this, a period of at least four years was necessary. In other words, two consecutive presidential terms.

[Mosciatti] Do you evaluate these last two years favorably?

[Allamand] On the organizational side, since Roberto Ossandon joined us, the progress is enormous. Our municipal campaign is the best that the center-right has ever had in Chile. Our campaign manuals serve as models in Latin America. Each Thursday, our 1,134 candidates receive a fax with the weekly situation, strategy guidelines, and speeches.

[Mosciatti] And on the political side?

[Allamand] In what I term our institutionalization, the process has been slower. Because, although the great strength of the RN is its breadth and diversity, this is also, at times, its weakness. It has caused disagreement among 13 senators who hardly knew one another, created disharmony among deputies and senators, and damaged the decision-making process. There are difficulties, especially in a part with so many personalities. But in the political arena, our program has a clear objective: to move toward centrist positions, a way of approaching problems differently than the traditional right. To put it in Castilian, a European-style center-right, adhering solidly to the democratic system and to a liberal scheme of ideas.

[Mosciatti] Many people believed that the difference between the RN and the UDI [Independent Democratic Union] could be determined on the basis of that supposed liberal scheme of ideas. But, truthfully, one sees no important differences. And many of the RN's top figures stand out for their conservative characteristics.

[Allamand] The terms liberal and conservative can be ambiguous. But I believe that, later on, that distinction will become evident. More perspective is needed. At the moment, the main difference with the UDI has been in the role that we have played during this period. We have

established as our priority to represent an element of equilibrium and stability for the country. Things that were the object of criticism by the most solid sector of our electorate have proven to be great achievements: the 1989 constitutional reform, labor reform and tax reform. All that work remains obscured because, suddenly, the government seems to have no....

[Mosciatti] The government gives you no credit?

[Allamand] One does not do something to receive credit for it. But when one sees the belligerence and reprobation by the government and certain leaders of the Concertation against the RN on certain matters of governmental responsibility, such as judicial reform, it almost seems like an opportunistic attitude.

[Mosciatti] Do you feel that there are agreements as to fair play, basically with people from the DC [Christian Democratic Party] that have been violated by this belligerence?

[Allamand] Evidently. So much so that they say that I am a rugby player, but truly, I do not cry or complain. But there is no doubt that the constant attitude of Gutenberg Martinez has become an unbridgeable obstacle, because there really can be no double talk. There cannot be one discourse when we talk by telephone and a different one when tape recorders are present. But returning to the previous subject, I recognize that in our ranks, also, there is at times a lack of taste. At times, some leaders are affected by what could be electoral priorities.

[Mosciatti] Could this launching of presidential precandidacies aggravate that?

[Allamand] I believe it distorts the situation because it diverts the party from the tasks of the moment. The party decided to postpone this subject until after the municipal elections for several reasons. One, that when there is an election ahead, that is what we must dedicate ourselves to. There are 45 days left before the municipal elections and more than a year to announce the presidential candidate. Now, I believe that these moves toward presidential candidacies are not an act. It is legitimate that two persons, in an open and democratic party, loyally defend their right to represent the party. But I really believe that my responsibility is to prevent this competition from affecting our permanent interests, splitting the RN's unity, affecting it generationally, or creating a negative image.

[Mosciatti] If we start from the premise that Pinera and Evelyn Matthei are part of your initial working team at the head of the RN, does this rivalry mean that the team, the pillar of your work, is coming apart?

[Allamand] From a first reading, one could think so. But as a second impression, I ask myself what group of people this age can afford the luxury of having two possible candidates for the Presidency of the Republic.

[Mosciatti] Three, because your name has been mentioned.

[Allamand] Well, I believe there is a question to be agreed upon. We must look for the best solution. In any case, at this moment I am concerned with the three fundamental tasks of the party: organizational modernization, institutionalization of functions and political program. I am dedicated to that 100 percent; I have not even thought about the other subject.

[Mosciatti] Perhaps the question should be a different one: Is this dispute between Mattei and Pinera an element for the destabilization of your leadership, because they have been pillars of your team?

[Allamand] No. I do not see it that way. Because I foresee that between persons who maintain strong bonds of friendship and such solid political commitments, to the extent of having changed their lives radically during the past five years, there is finally a moment for reasoning, for choosing the person who has the best chance to represent all of us. Besides, I have always said it does not make sense in politics to fight only for the first position. There are many other positions just as important or more important than that one. To think that everybody must be a precandidate for the presidency of the Republic, or of the party, is a complete distortion. My problem is to see that the permanent is distinguished from the transitory and that this apparent rivalry, when other persons in the party also qualify, contributes and does not detract. I maintain independence of judgment with regard to everyone who today has a legitimate aspiration. I believe I have acquired experience regarding presidential themes; I know how it obscures the vision. I believe I have the necessary objectivity to give my opinion at the opportune moment.

[Mosciatti] Are you not, yourself, afraid of suffering that obscurity of vision, after Espina mentioned you for the presidential ticket?

[Allamand] At this point, I believe that I am not working for any political interest. I know very clearly what my mission is: to move this enormous political enterprise that is the RN forward. An opposition has to fulfill two responsibilities: to be vigilant in its oversight of the government and public officials, preventing corruption and also to be the alternative, offering the country a better approach to national problems. But in this phase, particularly, the RN has had to fulfill a third responsibility: to contribute to the governability and the stability of the system. The latter is conceptually contradictory to the possibility of creating an alternative, and it goes against the responsibility to exercise governmental oversight. This has demanded enormous political ability of us, which we have not always been up to.

[Mosciatti] On the subject of vigilance against corruption, what do you think about what Minister Krauss said, to the effect that there was no corruption in the Onemi imbroglio because state institutions, as such, were not involved, but there would be, if any, individual responsibilities?

[Allamand] One of his worst jokes. Perhaps of the worst taste.

[Mosciatti] On the question of oversight of government activities, what can you say in defense of the committee of the Chamber of Deputies that investigated the issuance of checks to General Pinochet's son?

[Allamand] That was an affront to the democratic system and to the Chamber. It was a very bad precedent. And the responsibility is the government's. Minister Enrique Correa, I do not know why, participated actively in the committee's work, almost as a privileged member. From outside, one could have imagined that he was going to arrive with a pencil, to add conclusions. But no, it was with an eraser, to rub them out.

[Mosciatti] You said that an important part of what the committee investigated was concealed.

[Allamand] Or it was expressed in such a nebulous way that no conclusion was reached. I believe in the strength of institutions. When the Chamber, which has the responsibility to exercise oversight, does not fulfill its mission, the system erodes.

[Mosciatti] Was the CEP [Center for Public Studies]-Adimark polling survey a hard blow for you?

[Allamand] It is difficult to give an opinion because one can appear to be the injured party, the one who applauds when the polls are favorable and curses them when they are adverse, something that Francisco Javier Errazuriz does. I believe that the poll contains nonsense and incomplete information. It is absurd to say that the RN represents a figure bordering on 5 percent. It is inconsistent that while all of the RN's political leaders go up in their ratings and all of the UDI's decline, exactly the opposite happens at the party level, to cite only one example. This without mentioning that the survey not only represents 50 percent of the country, but that it was conducted in places where the government is comparatively stronger and where the UDI is preferred over us because they are precisely those districts where they have congressmen and we do not. But that does not worry me: In 1989, the CEP gave the right 18.7 percent of the vote; however, the right won 34.2 percent of the vote that same month. Today, that survey gives us 19 percent, a base figure higher than that with which we won 34 percent. Another thing, in the series of CEP surveys, which goes back two and a half years, never has the sum of what was attributed to the RN and the UDI ever approximated even half of what we won in 1989. What happened is that fragmentary information has been very cleverly exploited by the Concertation.

[Mosciatti] Do you suspect any motives?

[Allamand] Yes, four: to inhibit the opposition's responsibility to exercise oversight over government, to soften, as the athletes say, the opposing team at the beginning of the game, to try to have elements of pressure to obtain concessions from us in the reforms they propose for the

institutional and political systems, and to try to strengthen Errazuriz, because although they know that he is not our adversary in this campaign, he could erode our support. But I repeat, this survey does not concern me at all.

[Mosciatti] Do you not find it a little pathetic that the political world is so dependent on these polls for reaching decisions, as in the case of presidential precandidacies?

[Allamand] I believe there is a boomerang effect and, more worrisome, it is an element that alters long-term policies. At this point, polls cannot be dispensed with. But long-term political decisions certainly cannot be made on the basis of their results. When a political leader begins to follow only the polls, he abdicates his responsibility as leader. What is certain is that polls acquire enormous importance in a sector, like the present center-right, where party institutionalization is still weak. In 1989, the DC had the courage, speaking in a party sense, to remove its number one candidate in the polls, Eduardo Frei, and put Patricio Aylwin in his place. Events showed that they were right. This would have been unimaginable in the center right. And moreover, the CEP itself was very influential in the political decisions that were adopted with respect to the presidential candidate of that sector, and we know the results. Therefore, the subject of polls is one of the basic questions that the center-right must confront from now until 1993.

**\* Labor Union 'Crisis' Modifies Goals, Demands**  
92SM0440C Santiago EL MERCURIO in Spanish 2  
May 92 pp A1, A19

[Report by Richard Garcia]

[Text] Autonomy is the word of the moment in the labor union movement. Revolutions and drastic changes have given way to a more realistic vision of problems because the organizations have realized that if they do not change, they will not be able to count on the membership they need. Therefore, the search for a more modern message has become imperative among union leaders.

Vindicative demands have not been abandoned, but the thinking now is that the labor union is not only a means for winning wage increases.

This, at least, was learned last week by the Third National Conference of the United Labor Federation [CUT], an organization that includes the most important confederations and sectoral federations.

The meeting was considered "historic" because it allowed self-criticism foreign to the political conflict that characterized the congress held in October 1991, where Manuel Bustos (DC [Christian Democratic Party]) was reelected as its president, and Arturo Martinez (PS [Socialist Party]) dropped from first to second vice president.

The diagnosis was clear: Organized labor is in crisis because the intermediate organizations do not reach the grass roots, and the provincial CUT's have not fulfilled their role in the regions.

CUT's excuse is that the free market economic model "has encouraged individualism and consumerism," abandoning considerations such as cooperation and solidarity.

To confront this situation, CUT called for the formation of exclusive unions in companies, the organization of large industry confederations, and the strengthening of the role of the provincial affiliates.

#### Facing the Economy

The most radicalized leaders on the left, such as the communists, do not forgive the present leaders of the government who, after criticizing the market economy during the entire previous regime, have now adopted it with very few changes as the economic model that will bring progress to Chile. The communists insist that the system must be changed, and they actively promote mobilizing activities.

The drama is that, as Arturo Martinez recently recognized, any other model no longer exists. In this situation, the leader proposes improvement of the neoliberal model while awaiting a better one.

"Development with equity does not mean anything to us. That slogan is not for us", Martinez says, stating that the "three D's": democracy, development, and distribution, must be applied to the model.

He stresses that "we do not understand development only as a conquest of the external market, or of the economy, but as protection of the environment, of natural resources, and marine species, in short, to improve the quality of life.

#### Debts To Be Paid

Although there are different labor union tendencies, they all agree on one point: there are debts to be paid.

The government replies that it has propitiated consensus and the search for agreement so that each side will be satisfied, as long as some of its demands are met.

The main criticism continues to be directed at labor institutionalism. According to Martinez, it is antiquated, stagnant, and only looks at past behavior. "We need a thorough labor reform, because differences are still maintained as to collective bargaining for federations, confederations, and intercompany unions (which must be by mutual agreement between the parties)."

Also, he points out that problems persist as to individual contracts, and the prospective reform is still pending. Therefore, he insists that CUT will seek changes through

legislation or by labor union action. The latter has already occurred, especially with the copper, coal, port, and health workers.

Representatives of the other labor federations have expressed similar positions. The president of the Workers Democratic Federation [CDT], Eduardo Rios, believes that "we are in the same situation as 17 years ago and full reform of the labor program is still pending," describing the government's policy of consensus seeking as "paternalistic."

He believes that the unions must be given new relevance in order to arrive at a true social market economy, which will not happen with weak and splintered unions. As for collective bargaining, he believes it is too restrictive.

The president of the Independent Workers Federation [ANSIL], Jorge Frias, also proposes important changes in legislation. "We believe that Chilean workers have no job stability, or any guarantees that allow them to form unions, because when they do so, they run the risk of losing their jobs."

Arturo Martinez explains that the labor union movement of the past subscribed to a political program, mainly of the parties on the left, which sought to take power. To the extent that the movement adhered to that program, it became overly ideologized and politicized.

He recognizes that the panorama is different today and that ideology and the excessive presence of the parties, "instead of helping, damaged efforts to focus on workers' rights."

The idea of the employer as adversary is being abandoned, and CUT now proposes a tripartite mechanism promoted by the International Labor Organization. The concept is that when agreements are adopted by the three parties (government, management, and workers), these agreements have greater legitimacy and can be applied without damage to a single sector, an advantage that two-party agreements do not have.

Meanwhile, union membership has been increasing in recent years, although it is still far from reaching 33 percent of the labor force, where it was in 1973. Of course, the laws, as well as the business conditions, were different. Then, it was the state that intervened in conflicts, in one form or another.

The situation today could not be more different, and even in strikes such as those that affected Chuquicamata, El Teniente, and Huachipato, the minister of labor himself said that disputes between workers and employers, especially legal strikes, are normal procedures and should be resolved without state intervention.

As a result, the union movement has opened its eyes to a broader horizon. Teachers, bank employees, and copper miners have already won their own AFP's [Pension Fund Administrators] and even Isapre's [Institutes of Public Health and Preventive Medicine].

### The Other Federations

Although a special law has been passed for the organization of union federations, only CUT, described as officialist by its opponents, has fulfilled the necessary requirements to obtain legal status.

The government has repeated on numerous occasions that it receives representative organizations, although CUT gets the best reception.

The once-powerful CDT lost influence after its bankruptcy in 1990. The only forces it has that are able to give the government anything more than headache are the National Confederation of Transport Workers of Chile, headed by Pedro Monsalve, and the Maritime Confederation of Chile, led by former Christian Democrat Eduardo Rios.

As for the Chilean Workers Federation, its leader, Pedro Briceno, appears from time to time to make critical statements about the government, but he has been less visible in 1992.

One organization that wanted to become a federation, but did not have enough members to achieve its dream, was the General Workers Confederation, headed by Manuel Contreras Loyola. The organization has now been forced to abandon its offices on Santa Lucia Street, which it received under favorable circumstances during the previous regime. Despite protests, it had to move out and look for a new location.

ANSIL has not suffered the same fate. Working quietly, it has cultivated relationships with its unions at the grass-roots level, as opposed to CUT, which works more with intermediate organizations.

CUT does not consider ANSIL to be a valid labor union alternative. "It is an embryo, not a federation, and the people who belong to it have nothing to do with the union movement", says Martinez.

Nevertheless, ANSIL's secretary general, Samuel Astorga, says that he has more than 100,000 members, and they want to become an apolitical confederation.

Despite the different union alternatives, the number of organized workers does not exceed 12 percent, which means that the majority does not belong to these organizations. The organizations' top priority, then, is to enroll more members and improve dues collections in order to have the funds to develop their own programs, without depending on political parties.

The move to change slogans and to do away with connections to political parties to the extent possible is not an improvisation; basically, the very survival of the labor union movement is at stake.

## Ecuador

### Country Not To Join Free Trade Area

PA2306170492 Quito Voz de los Andes in Spanish  
1130 GMT 23 Jun 92

[Text] Juan Falconi, industry, commerce, and integration minister, said on 22 June during a meeting held with the representatives of the National Federation of Chambers of Commerce that Ecuador will not join the Andean free trade area on 1 July because the instruments and guidelines necessary for the intensification of commerce and the definition of the common tariff do not exist.

The businessmen requested that, in light of the impending change of government, the meeting of the Cartagena Agreement commission scheduled for 15 July be suspended, and contacts be made with each country in order to attain bilateral agreements.

### Armed Forces Prepare for Elections' Second Round

PA2306045092 Quito Voz de los Andes in Spanish  
2300 GMT 22 Jun 92

[Text] The Defense Ministry has issued a press bulletin reporting that in compliance with the Constitution, the Ecuadoran Armed Forces are responsible for the control and security of elections.

In order to ensure the elections are held within the framework of law and order and the will of the people is respected, as freely expressed at the polls, the Joint Command on 28 February 1992 has instructed its forces, including the National Police and the Customs Military Police, on the control and security plan of the elections held on 17 May during the first round of voting, which established the bases for the participation of the military institutions and the support of the auxiliary forces and the Customs Military Police during the elections.

On 18 May 1992, the day after the elections, the Joint Command began preparing the plan for control and security of the second phase of the electoral process. This document was delivered on 5 June to the Armed Forces, the National Police, and the paramilitary forces. It is currently being implemented at all points.

The Armed Forces are coordinating all details in order to begin transporting the materials necessary for the second round of voting and all final details on the arrangements that will allow the military to fulfill this duty, covering the most distant and remote points of the country.

To this effect, at 1230 on 24 June, the high military command will have a meeting with the president and members of the Supreme Electoral Tribunal.

### Court Bans Opinion Polls From Election Sites

PA2406010792 Quito Voz de los Andes in Spanish  
1130 GMT 23 Jun 92

[Text] The Supreme Electoral Court [TSE] has forbidden taking opinion polls at election sites on election day. No advance election results can be made public before the process concludes at 1700.

TSE President Tito Cabezas stated the organization has instructed public force members to impede those taking opinion polls from voters at election sites within a 50-meter perimeter. Citizens must be allowed to cast their votes in peace. They should not be bothered with questions on their votes, Cabezas said.

In addition, the TSE pointed out that no media can publish preliminary election results or even estimates before 1700 on 5 July. Cabezas said the measure is appropriate because the elections will close at 1700 and, therefore, no media can disseminate estimated results that can be attributed to surveys or opinion polls. Cabezas said such reports could influence voters' decisions even a short time prior to closing time. He added: I do not think a whip should be used as a warning to those who go against the law intentionally. Common sense should prevail above penalties stipulated by law. Voters civic behavior and cooperation with the community are important.

## Paraguay

### PLRA Not Present at Constitution's Swearing In

PY2206220692 Asuncion ULTIMA HORA in Spanish  
22 Jun 92 p 8

[Text] Authentic Radical Liberal Party [PLRA] congressmen refused to attend the swearing in of the new Constitution at the National Congress this morning, on the grounds that the presidents of the three branches of state have violated Article 2 of the Constitution's transitory provisions.

PLRA President Juan Manuel Benitez Florentin told ULTIMA HORA this morning that "we will not attend the swearing ceremony today because this ceremony does not comply with Article 2 of the new Constitution's transitory provisions. That is the only reason we will not attend the ceremony." According to Benitez Florentin, the PLRA executive board has approved this position.

Upon being asked if the swearing ceremony should be considered valid anyway, Benitez Florentin answered: "If an action takes place without complying with the requirements set forth in the national Constitution, this very same Constitution makes it clear that such actions will be considered null and void."

Benitez Florentin emphasized that he did not want to get involved in a profound analysis of this instance of violation of the Constitution. He said, however, that the attitude displayed by the officials who swore to the

Constitution today "has ethical and political connotations. The ceremony was not held in keeping with constitutional provisions."

#### **Commander Says Army To Adjust to Constitution**

*PY2306161892 Asuncion NOTICIAS in Spanish  
23 Jun 92 p 5*

[Text] Army Commander General Humberto Garcete has said that measures will be taken to adjust the structure of the Armed Forces to the new Constitution. He pointed out that the Armed Forces are a disciplined body and that the people must trust that they will fulfill their institutional role.

Garcete added that he is proud to have participated in the swearing in of the new Constitution, which will control the destiny of our country.

He stated that the Armed Forces always fulfill their role and are ready for their constitutional obligations. He said: "I would like to reiterate that we have a disciplined Armed Forces ready to fulfill their constitutional obligations. The Armed Forces will fulfill their constitutional obligations." He added that the Armed Forces are headed by their honorable commander, "General Andres Rodriguez, who teaches us every day that the Armed Forces must abide by the new Constitution."

Gen. Garcete also stated that the Armed Forces were indignant over the constitutional clause on the reelection because the constituent assembly did not believe the word of a soldier. He added: "It was aggravating that members of the Colorado Party who promoted General Rodriguez to the presidency did not believe his word."

### **Peru**

#### **State of Emergency Extended in Provinces**

*PA2306193792 Lima Radio Programas del Peru  
Network in Spanish 1800 GMT 23 Jun 92*

[Text] The government has extended the state of emergency in the provinces of Pasco, Junin, Huancavelica, and Ayacucho Departments for another 60 days. The provinces are: Huancayo, Concepcion, Jauja, Satipo, and Chancamayo in Pasco Department; Castrovirreyna, Huaytara, and Huancavelica in Junin Department; and Lucanas, Huamanga, and Cangallo in Huancavelica Department.

The state of emergency was also extended in Azangoro and Melgar Provinces in Puno Department.

#### **OAS Secretary General Reminds Fujimori of Offer**

*PA2406042692 Lima Global de Television Network  
in Spanish 0100 GMT 24 Jun 92*

[Text] The OAS has addressed President Alberto Fujimori to ask him to formalize the dialogue he offered to hold with the political parties.

OAS Secretary General Joao Baena Soares says he has a letter from former Senator Maximo San Roman who insists that so far the political parties have not received any information related to holding a dialogue.

#### **Arequipa Mayor Demands Nov Municipal Elections**

*PA2306215592 Lima Panamericana Television Network  
in Spanish 1200 GMT 23 Jun 92*

[Text] Luis Caceres Velasquez, the controversial mayor of Arequipa, has reaffirmed that he will fight until the government decides to adhere to the municipal elections schedule. Otherwise, he said, he will hold his own elections and on 22 November he will place ballot boxes in every street of Arequipa so the people can elect their municipal authorities. In addition, he criticized the Armed Forces Joint Staff support for President Alberto Fujimori.

[Begin recording] [Caceres] The Armed Forces are supporting Fujimori's actions. The Armed Forces have been marked for their praiseworthiness and honor throughout the country. It has been the most respectable institution in the country. They should dissuade the president from mocking Peru.

[Reporter] You had an appointment with General Nicolas de Bari.

[Caceres] I phoned him on 22 June, but I was told he would be very busy. He advised, however, that he will receive me with pleasure on 26 June.

[Reporter] The president of the Republic said you would be greatly surprised after talking with Gen. De Bari. What do you think?

[Caceres] The big surprise was that Nicolas is a good friend of mine and a soldier deserves to be respected. If the president said this, it would be very interesting if he could meet with me so I can talk with him. I am considering this meeting seriously. I wish he would meet with me so we can talk and I can tell him he is very much mistaken. Municipal governments' desires for renovation, progress, and improvement, which all Peruvians want, cannot be stifled. Nicolas had a good idea. If the government persists in holding elections in March 1993, there should be a civic demonstration in Arequipa. Let the people cast their votes in ballot boxes on 22 November and elect a mayor and worthwhile officials. Arequipa cannot exist without progress. Many cities will follow suit because officials want the people to share in their destinies. [end recording]

#### **Professors Arrested, Charged With Subversion**

*PA2406022292 Lima Global de Television Network  
in Spanish 0100 GMT 23 Jun 92*

[Text] Eleven professors of the Cesar Vallejos Iaduni Junior College continue under arrest at the Counterterrorism National Directorate [Dincote], charged with alleged connection to terrorism. The college branches

remain closed and the students continue rejecting allegations related to involvement with sedition movements. In addition, the students demand sufficient guarantees in order to continue their studies.

The 11 Cesar Vallejos Iaduni Junior College professors were arrested by the Dincote because of their alleged involvement with subversive groups. Meanwhile, classes at the three branches of the university located throughout Lima have been canceled since 22 June.

Posters announcing the suspension of classes until further notice could be seen everywhere at the branch located on the fourth block of the Giron Chancay neighborhood. Students have remained on the college grounds demanding an explanation. Another branch of the Cesar Vallejos Junior College is located at No. 208 La Colmena Avenue.

According to the Dincote, the Cesar Vallejos Junior College was being used by the subversives to indoctrinate young students. The curious part of the entire affair is that the Lima Public Welfare Office leased two floors of the building where the college is operating.

An identical situation was observed at the Iaduni Junior College. The students have strongly protested any link to subversive groups.

[Begin recording] [First unidentified student] The professors taught us math, physics, chemistry, algebra, and geometry. That is all they have taught. I have never received anything different than regular academic courses. It has always been the same. Always.

[Second unidentified student] It is really unfair and unjust. The media has distorted news, especially the press which has exaggerated everything. On 22 June, the professors were taken and unjustly beaten. [end recording]

According to a police source, the suspected professors are being investigated to determine if they are really involved with subversive acts.

#### Human Rights Group Concerned With Violations

PA2406042592 Lima Radio Programas del Peru  
Network in Spanish 1800 GMT 23 Jun 92

[Text] The Inter-American Commission on Human Rights [CIDH] reported in Sevilla that some legal actions carried out by the Peruvian Government violate the Inter-American Convention on Human Rights. CIDH President Marco Tulio Bruni Celli said that an example of the government's violation of human rights is the elimination of the crime related to missing persons from the Peruvian Penal Code.

According to Bruni Celli, those legal actions, which are contrary to the Inter-American Convention on Human Rights, could practically mean impunity for more serious crimes.

The CIDH is very concerned about the situation of human rights in Peru, where the government rules by decrees.

#### Venezuela

#### Caracas Paper Reports Coup Leader Chavez Ill

PA2306220592 Madrid EFE in Spanish  
1544 GMT 23 Jun 92

[Text] Caracas, 23 Jun (EFE)—Lieutenant Colonel Hugo Chavez, who headed the thwarted coup attempt in Venezuela in February, has serious health problems, the Caracas morning newspaper ULTIMAS NOTICIAS reported on 23 June.

Chavez reportedly has a fever, high cholesterol, and his blood pressure is erratic, according to the paper.

The officer is being held in Yare Prison, 45 km south of Caracas, and was to be transferred to another prison this week. The move was postponed because of his failing health.

Chavez began a hunger strike on 19 June to protest the conditions of the prison where he is being held. In his opinion, the prison lacks basic facilities, but he suspended the strike on 21 June, awaiting a response from military authorities.

Defense Ministry spokesmen said Chavez and the other officers under arrest will be transferred to Guicaipuro Fort, located near Yare Prison.

The spokesmen said that an Army sergeant identified as Omar Parada Fuentes deserted his unit over the weekend.

Parada, who belongs to the battalion of recruits in the Tiuna Fort garrison, seat of the Defense Ministry in southwestern Caracas, expressed his discontent with his superiors and deserted during a routine leave of absence.

According to military sources, Parada expressed support for the attitude of Lieutenant Raul Alvarez Bracamonte, who deserted Tiuna Fort with 40 weapons in April.

Alvarez said in an interview published two weeks ago by the Caracas daily EL GLOBO, that he was part of the illegal "Bolivarian 200 Revolutionary Movement" headed by Chavez and announced the weapons he took from the Army would be placed in "the hands of the people."

General Rafael Angel Montero, chief of the Army General Staff, who took office on 23 June, said the Venezuelan soldiers "want to contribute to improve democracy."

Montero said the 4 February thwarted coup "caused a breakup of the Armed Forces structure," but the measures imposed by Gen. Fernando Ochoa Antich, who was defense minister at the time, "permitted overcoming

the situation and reestablished confidence and composure in the Armed Forces institution."

The chief of staff said the men who had headed the thwarted coup attempt committed a "very grave mistake." Montero said the danger of a new coup attempt has been overcome. "I do not think an experience such as that of 4 February will be repeated. Fortunately, it has been demonstrated that we are committed to democracy in the Armed Forces," he emphasized.

#### **Students Clash With Police, Burn U.S. Flag**

PA2306223292 Mexico City NOTIMEX in Spanish  
2107 GMT 23 Jun 92

[Text] Caracas, 23 Jun (NOTIMEX)—About 1,000 people stood in front of the legislature on 23 June and demanded the resignation of President Carlos Andres Perez. They were dispersed by security forces after some students began stoning the legislative headquarters.

Merchants in the area closed their stores and traffic was interrupted in downtown Caracas when the demonstrators began clashing with the police. At least two people were injured.

The violence began following a peaceful march, which covered about 5 km between the Central University of Venezuela and the legislature, where the demonstrators, mostly students, were unable to hand a document to the legislators. In the document, they demand the president's resignation. The document also demands an "emergency government," punishment for the corrupt, creation of a constituent assembly "with real participation of the people," recovery of national sovereignty, and a repeal of the agreements between the government and the IMF.

The skirmishes between security forces and pedestrians and students began in downtown Caracas at 1330 (1730 GMT) and lasted one hour until it began to rain heavily and the clashes were disrupted.

Henry Rivas, the chief of police operations, said: "We intervened when it was necessary to do so," because unidentified people started to hurl stones at the windows of the legislature and paint slogans on its walls.

Students of four universities and members of neighborhood associations chanted praise for Hugo Chavez, leader of the failed military coup attempt of February; rejected ongoing constitutional reforms; and burned a U.S. flag. "In 1958 (dictator Marcos) Perez Jimenez fell,

in 1992 the Gocho (a native of the Venezuelan Andean Region) Perez will fall," the demonstrators shouted.

Before the incidents, university leaders said over loudspeakers that "popular insurrection will soon be on the streets," and that "if CAP [Carlos Andres Perez]—as the president is called—does not resign peacefully, the constitution allows for popular rebellion."

During the demonstration, slogans were shouted demanding a civilian-military government; calling people to pick up the weapons "lost on 4 February," the day of the aborted coup; and demanding the installation of a "national emergency" government.

Antigovernment slogans painted on the legislature's walls were signed by the leftist guerrilla movement, "Red Flag," which the government blamed for the wave of street riots that have affected the main Venezuelan cities during the past month.

The most serious incidents occurred in Caracas. However, in Tigruto, approximately 460 km southeast of the capital, students looted a shoe store and several street vendors during the antigovernment protests.

Prior to the demonstrations, community organizations blocked a stretch of the Pan-American Highway linking Caracas to the community of Los Teques for approximately five hours; they were protesting a municipal decision.

#### **March Termed 'Peaceful'**

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[Text] On 23 June, Central University of Venezuela [UCV] students held a march starting from the university President's Square, with the authorization of the Federal District. The purpose of the march, which was organized by the Federation of the UCV's University Centers and supported by the Regional Coordinating Board of Middle Level Students, was to deliver a letter to Chamber of Deputies President Luis Enrique Oberto, outlining their stance on the country's political situation and on the debates to amend the Constitution.

The march proceeded to the Legislative Palace in a totally peaceful and civil manner. After different slogans were chanted, the march leaders went to the office of the Chamber of Deputies president to hand him a document containing their views on the constitutional amendments. The democratic spirit, in which the constitutional amendment is being debated, is reaffirmed.